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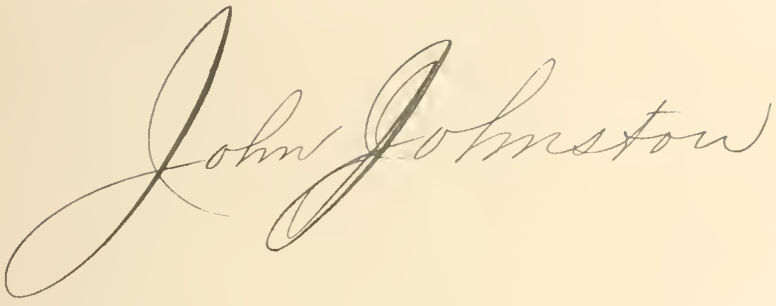
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THEORETICAL

AND

PRACTICAL

BOOK-KEEPING,

BY

DOUBLE AND SINGLE ENTRY,

FOR USE IN

BUSINESS COLLEGES,

COMMON SCHOOLS, HIGH SCHOOLS AND ACADEMIES, AND FOR SELF-INSTRUCTION.

ONE HUNDRED AND FORTY-FIFTH THOUSAND—REVISED.

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PREFACE.

WE do not claim that we have enunciated any new principles in the course of study in the science and practice of book-keeping contained in this work. We do claim, however, that we have arranged those already established in such a manner, and accompanied that arrangement with such clear and complete explanations, as will insure the pupil a knowledge of the subject, practically independent of the instructor.

While we have studiously avoided unnecessary theorizing, we have endeavored to give a competent reason for every step to be taken, believing that the pupil, if he have the ability to master the subject under any circumstances, will be able to secure, from the reasons and illustrations given, a thorough knowledge of the science of accounts.

We desire that the student's mind shall be constantly directed to the matter in hand—that of learning practical book-keeping—and not become confused by abstruse theories that can be of no possible use to him in pursuing the course of study, nor of the least value to him in after life.

The claim of this work to superiority over all other publications of its character is based, particularly, upon the manner in which the transactions selected as a basis of the student's work have been graded, the fullness of explanation of every step to be taken, the placing of such explanations in immediate proximity to the transactions, the system of references to the illustrations adopted, the encouragement to progress in penmanship afforded by the engraved pages, the ability of the pupil to rely upon himself, and the material lessening of the labor of the teacher.

THE AUTHORS.

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Double Entry Book-Keeping.

BOOK-KEEPING [1] is a record of business transactions. [2] The object of such record is to enable the proprietor to determine, at any time, the true condition of the business.

[3] The two methods of book-keeping in use are termed [4] *Double Entry* and *Single Entry*. The following explanations refer to Double Entry. Single Entry will be explained and illustrated later.

[5] **Double Entry Book-keeping** in its original and simplest form makes use of three books, called *Day Book*, *Journal*, and *Ledger*.

[6] The **Day Book,** or **Blotter** as it is sometimes called, contains a statement of the business transaction in detail. [7] The record should be made as soon as the transaction takes place, [8] to guard against errors which might be occasioned by a delay in making the entry.

[9] The **Journal** contains the Debits and Credits, taken from the Day Book, and arranged in a form convenient for transferring to the Ledger. [10] Deciding upon and arranging the debits and credits in the Journal is called *Journalizing*. [11] There are four forms in which journal entries may appear: (1) *One debit and one credit.* (2) *Two or more debits and one credit.* (3) *Two or more credits and one debit.* (4) *Two or more debits and two or more credits.* [12] In every journal entry the sum of the debits and the sum of the credits must be equal. [13] The Day Book and Journal may be combined, [14] by writing the particulars regarding the transaction in connection with the journal entry.

[15] The **Ledger** contains the final results, [16] which are exhibited by collecting all debits and credits having the same name under one heading. [17] Such a collection of debits and credits is called an *Account*. [18] The left side of an account is the *Debit*, and [19] the right side the *Credit*. [20] Transferring the debits and credits from the Journal to the Ledger is called *Posting*.

[21] The terms **Debtor** and **Debit,** and **Creditor** and **Credit,** are abbreviated: as, *Dr.* and *Cr.*

Other books than those described above are generally employed in double entry book-keeping; as, *Cash Book*, *Sales Book*, *Bill Book*, *Invoice Book*, etc., and when used they modify or limit the scope of the Day Book and Journal.

[22] The books employed in double entry are classed as *Principal* and *Auxiliary*.

[23] A **Principal Book** is one *from* which or *to* which entries are posted. [24] All others are Auxiliary books.

[25] In double entry book-keeping there are three kinds of accounts: accounts with *Persons*, accounts with *Property*, and accounts representing *Allowances* made to us, or made by us, from which we realize Gains or sustain Losses; as, *Interest*, *Discount*, *Exchange*, *Premium*, *Storage*, *Commission*, *Expenses*, etc.

NOTE.—It is not expected that the pupil will *commit to memory*, at this time, the definitions and rules, as he will do this more easily and with a much better understanding of their application if he learn the rules as he has occasion to apply them in connection with the work to be performed.

It is desirable, however, that the definitions, rules, illustrations, and the questions following them, be carefully studied before entering upon the regular work of the sets, beginning on page 20.

The debits and credits in any business transaction may be determined by the following

GENERAL RULES FOR JOURNALIZING.

[26] PERSONS ARE DEBITED,

[a] *When they get into our debt; and*
[b] *When we get out of their debt.*

[27] PERSONS ARE CREDITED,

[a] *When we get into their debt; and*
[b] *When they get out of our debt.*

[28] PROPERTY IS DEBITED,

Under an appropriate title, as Mdse., Real Estate, Cash, etc., when it comes into our possession.

[29] PROPERTY IS CREDITED,

Under its appropriate title, when it goes out of our possession.

[30] ALLOWANCES ARE DEBITED,

Under appropriate titles, as Interest, Exchange, Commission, etc., when made by us.

[31] ALLOWANCES ARE CREDITED,

Under their appropriate titles, when made to us.

The three kinds of accounts mentioned above are divided into [32] *two general classes*, [33] one class showing Gains and Losses, [34] and the other Resources and Liabilities.

[35] LOSSES.

An account exhibits a *Loss*, if that which it represents has cost us more than it has produced.

[36] GAINS.

An account exhibits a *Gain*, if that which it represents has produced us more than it has cost.

[37] RESOURCES.

An account exhibits a *Resource*, if it represents property on hand, or an amount owing to us.

[38] LIABILITIES.

An account exhibits a *Liability*, if it represents an amount owing by us.

[39] The excess in an account showing either a Resource or a Loss will be on the *debit side*, and [40] the excess in an account showing either a Liability or a Gain will be on the *credit side*.

QUESTIONS.

[26] When are persons debited? [27] When credited? [28] When is property debited? [29] When credited? [30] When are allowances debited? [31] When credited? [32] Into how many *general* classes are accounts divided? [33 34] What does each show? [35] When does an account show a Loss? [36] When a Gain? [37] When a Resource? [38] When a Liability? [39] Which side of accounts showing Resources and Losses is the larger? [40] Of accounts showing Liabilities and Gains?

SPECIAL RULES FOR JOURNALIZING.

The following additional rules, definitions, and explanations are given to supplement and emphasize the foregoing general rules, as a further aid to the student in the work of journalizing.

THE PROPRIETOR.

[41] The person engaging in business has an account opened under his own name, in which are to be entered the sum or sums by him invested and withdrawn, and, at stated periods, the net gain or net loss resulting from the prosecution of the business. [42] The title STOCK is sometimes used instead of the proprietor's name. Explanations for a co-partnership will be given later.

RULE.

[42] DEBIT THE PROPRIETOR,

[a] *For his liabilities assumed by the business;*
[b] *For amounts drawn from the business for his private use; and*
[c] *For the net loss.*

[41] CREDIT THE PROPRIETOR,

[a] *For his investment at commencing business;*
[b] *For subsequent investments; and*
[c] *For the net gain.*

[46] The difference between the sides of the proprietor's account at *commencing* business is called the *Net Investment*. [46] The difference in the account at the *close* of business, after the net gain or net loss has been transferred to it, is called the *Net Worth*, or *Present Worth*.

ILLUSTRATION

Dr. LORENZO H. FAIRCHILD (Proprietor). *Cr.*

For a liability assumed and to be paid out of the business,	500.00	For his investment at commencing business,	5000.00
For an amount drawn by him for his private use,	800.00	For a subsequent investment,	1000.00
	1300	For the net gain,	575.00
			6575

Total credit to proprietor's account, as per footing,	6575.00
" debit " " " " "	1300.00
The difference is the proprietor's Present Worth,	$5275.00

QUESTIONS.

[44] For what is the proprietor credited? [45] For what is he debited? [45] What is the difference between the sides of the proprietor's account at commencing business called? [46] What is the difference called after the net gain or net loss has been entered in the account? [47] What title is sometimes used instead of the proprietor's name?

PERSONAL ACCOUNTS.

[47] If a person buys goods from us, to be paid for at a future time, he gets into our debt. [48] At the time he pays for them he gets out of our debt. [49] If we buy of a person in like manner we get into his debt. [50] At the time we pay him we get out of his debt. Therefore, for personal accounts, we have the

RULE.

[51a] *Debit a person when he gets into our debt.*
also
[51b] *Debit a person when we get out of his debt, in full or in part.*

[52a] *Credit a person when he gets out of our debt, in full or in part.*
also
[52b] *Credit a person when we get into his debt.*

[53] When a person buys goods, without paying for them at the time of purchase, the transaction is said to be On Account. [54] If the debit side of a personal account is larger than the credit, he owes us the difference, and this difference is [55] a Resource. [56] If the credit side of a personal account is larger than the debit, we owe him the difference, and this difference is [57] a Liability.

ILLUSTRATIONS.

Dr. JAMES W. HARDING. *Cr.*

SOLD HIM ON ACCOUNT.		RECEIVED FROM HIM ON ACCOUNT.	
10 bbls. Sugar,	90.00	Cash,	150.00
10 ch. Japan Tea,	150.00	"	50.00
5 bags Coffee,	100.00		200
	340		

Total amount of goods sold him on account, as shown by the debit footing,	340.00
Total amount of cash received from him on account, as shown by the credit footing,	200.00
The difference shows what he still owes us (a Resource),	140.00

Dr. H. W. Wood & Co. *Cr.*

PAID THEM ON ACCOUNT.		BOUGHT OF THEM ON ACCOUNT.	
Cash,	150.00	50 bbls. Flour,	250.00
"	100.00	20 " Sugar,	150.00
	250		400

Total amount of goods bought of them on account, as shown by the credit footing, ... 400.00
Total amount of cash paid them on account, as shown by the debit footing, ... 250.00

The difference shows what we still owe them (a Liability), ... 150.00

QUESTIONS.

[51 a, b] When is a person to be debited? [52 a, b] When credited? [53] If a person buys goods and does not pay for them at the time of purchase, what is said of the transaction? [54] When a person's account is debited more than it is credited, does he owe us, or do we owe him? [55] Is the difference a resource or a liability? [56] How is it when the credit side of a person's account is the larger? [57] Is the difference a liability or a resource?

CASH.

[58] Under this title everything considered money is to be entered: as, [59] Specie, Bank Bills, Sight Drafts, Postal Orders, etc.

RULE.

[60] *Debit cash when it is received.* | [61] *Credit cash when it is paid out.*

[62] The difference between the sides of Cash account will show the cash on hand. [63] Cash on hand is a Resource. [64] The credit side of Cash account cannot be greater than the debit side, because [65] more cash cannot be paid out than has been received.

ILLUSTRATION.

Dr. Cash. *Cr.*

RECEIVED.		PAID OUT.	
For 50 bbls. Flour,	300.00	For Rent of Store,	100.00
" 20 " Pork,	200.00	" 200 bbls. Salt,	300.00
" J. B. Jones' acct.,	150.00		400
	650		

Total amount of cash received, as shown by the debit footing, ... 650.00
" " " paid out, " " " credit " 400.00

The difference shows the cash on hand (a Resource), ... 250.00

QUESTIONS.

[58] What is to be entered in the Cash account? [59] What is considered money? [60] When is Cash debited? [61] When credited? [62] What does the difference between the sides of the Cash account show? [63] Is cash on hand a resource or a liability? [64] Which side of Cash account must be greater when there is any difference? [65] Why?

MERCHANDISE.

[66] This title is applied usually to all goods the proprietor is dealing in as a business. [67] If it is desired to show results in detail, separate accounts must be opened: as, Flour, Corn, Wheat, etc., instead of including all under the general heading, Merchandise.

RULE.

[68] *Debit Mdse. for the cost of the goods bought.* | [69] *Credit Mdse. for the proceeds from goods sold.*

[70] Since the debit side of Mdse. shows what the goods cost, and the credit side what they sell for, the difference must show the gain or loss — providing the goods have all been sold. [71] When a portion of the goods remains unsold, deduct their value from the debit side—or add it to the credit side—and the difference between the sides, after this has been done, will show the gain or loss? [72] If the credit side of the account is the larger, the difference is a gain; [73] if the debit side is the larger, the difference is a loss. [74] Property remaining unsold is called an Inventory.

ILLUSTRATION.

Dr. MERCHANDISE. *Cr.*

GOODS BOUGHT.		GOODS SOLD.	
50 bbls. Flour,	250.00	50 bbls. Flour,	300.00
30 " Beef,	300.00	20 " Pork,	200.00
20 " Pork,	160.00		500
	710		

Inventory, 30 bbls. Beef remaining unsold (a Resource), ... 300.00

Total proceeds from sales, as shown by the credit footing,		500.00
Total cost of goods, as shown by the debit footing,	710.00	
Deducting value of goods remaining unsold (Inventoried at cost),	300.00	
Gives the cost of the goods sold,		410.00
This, deducted from the proceeds from sales, gives the gain,		90.00

QUESTIONS.

[66] To what is the title Merchandise applied? [67] Why are separate accounts sometimes opened with the different articles, instead of including them all under the general heading Merchandise? [68] For what is Mdse. debited? [69] For what credited? [70] What does the difference between the debit and credit sides show? [71] When a portion of the goods remain unsold, what must be done to find the gain or loss? [74] What is property remaining unsold called? [72] When the credit side of Mdse. is larger than the debit, does the difference show a gain or a loss?

BILLS RECEIVABLE.

[75] Under this title are to be entered the written promises of other parties, payable at a future time, which come into our possession: as, Notes and Time Drafts.

RULE.

[76] *Debit Bills Receivable when received.* | [77] *Credit Bills Receivable when disposed of.*

[78] The difference between the sides of the account will show the Bills Receivable on hand. [79] The amount of Bills Receivable on hand is a Resource. [80] The credit side of the Bills Receivable account can never be larger than the debit, because a greater amount cannot be disposed of than has been received. [81] Bills Receivable account is debited and credited with the face value of the bills, [82] the account will therefore balance when all have been disposed of.

ILLUSTRATION.

Dr. BILLS RECEIVABLE. *Cr.*

RECEIVED.		DISPOSED OF.	
Jno. Smith's note,	600.00	Smith's note paid at maturity,	600.00
Boyd & Sons "	1000.00	Boyd & Sons note discounted at Bank,	1000.00
Draft on Jones & Co., 60 ds.,	200.00		1600
	1800		

Total Bills Receivable received as shown by the debit footing of the account, ... 1800.00
" " " disposed of " " credit " " " 1600.00

The difference shows the Bills Receivable on hand (a Resource), ... 200.00

QUESTIONS.

[75] What are included under the title Bills Receivable? [76] When is Bills Receivable account debited? [77] When credited? [60] Why cannot the credit side of Bills Receivable account be larger than the debit? [78] What does the difference in Bills Receivable account show? [79] Is the amount of Bills Receivable on hand a Resource or Liability? [82] When will the account balance?

BILLS PAYABLE.

[83] Under this title are to be entered our own written promises issued to other parties, payable at a future time: as, Notes and accepted Time Drafts.

RULE.

[84] *Debit Bills Payable when redeemed.*

[85] *Credit Bills Payable when issued, that is, when given.*

[86] The difference between the sides of the account will show the amount of Bills Payable outstanding. [87] The amount outstanding is a Liability. [88] The debit side of Bills Payable account cannot be larger than the credit, [89] because a greater amount cannot be redeemed than has been issued. [90] Bills Payable account is credited and debited for the face value of the bills. [91] The account will therefore balance when all have been redeemed.

ILLUSTRATION.

Dr. BILLS PAYABLE. *Cr.*

REDEEMED.		ISSUED.	
Note favor of Potter paid,	500.00	Note favor of Geo. Potter,	500.00
Acceptance favor of Brown paid,	180.00	Accepted Draft favor of A. Brown,	180.00
	680	Note favor of E. P. Reed,	400.00
			1080

Total Bills Payable issued as shown by the credit footing of the account, ... 1080.00
Total Bills Payable redeemed " " " " " " 680.00

The difference shows the Bills Payable outstanding (a Liability), ... 400.00

QUESTIONS.

[83] What are included under the title Bills Payable? [85] When is Bills Payable account credited? [84] When debited? [88 89] Why cannot the debit side of Bills Payable account be larger than the credit? [86] What does the difference in Bills Payable account show? [87] Is the amount outstanding a Liability or a Resource? [91] When will Bills Payable account balance?

EXPENSE.

[92] Under this title are to be entered all amounts expended for carrying on the business: as, Rent, Office Books and Office Furniture, Clerks' Salaries, etc. [93] If it is desired to show results in detail, separate accounts must be kept with Salaries, Rent, Office Furniture, etc., instead of including them all under the general heading Expense.

RULE.

[94] *Debit Expense with any outlay for carrying on the business.*

[95] *Credit Expense with returns on anything previously debited to Expense.*

[96] Expense account generally shows a loss.

ILLUSTRATION.

Dr. EXPENSE. *Cr.*

EXPENDITURES.		RETURNS.	
For Rent,	100.00	From Office Desk sold,	40.00
" Office Desk,	50.00		
" " Books,	10.00		
	160		

Total expenditures as shown by the debit footing of the account, ... 160.00
" returns " " credit " " " 40.00

The difference shows the loss, ... 120.00

QUESTIONS.

[92] What is to be entered under the title Expense? [93] What must be done if it is desired to exhibit results in detail? [94] For what is Expense debited? [95] For what credited? [96] What does Expense account generally show?

INTEREST AND DISCOUNT.

[97] Interest is the compensation allowed for the use of money. [98] Discount is the allowance made for the payment of a debt before it is due.

RULE.

[99] *Debit Interest and Discount when allowed to others.*

[100] *Credit Interest and Discount when allowed to us.*

[101] When the debit side of the account is the larger, the difference is a Loss. [102] When the credit side is the larger, the difference is a Gain. [103] The above rule will apply also to Exchange, Premium, Collection, Storage, Commission, etc.

ILLUSTRATION.

Dr. INTEREST AND DISCOUNT. *Cr.*

ALLOWED TO OTHERS.		ALLOWED TO US.	
Discount on Boyd & Son's Note,	10.00	Interest on Smith's Note,	12.00
Interest on Potter's "	5.00		
	15		

Total allowed to others, as shown by the debit footing, ... 15.00
" " " us " " credit " 12.00

The difference shows the loss, ... 3.00

QUESTIONS

[97] What is Interest? [98] What is Discount? [99] When are Interest and Discount debited? [100] When credited? [101] When the debit side of the account is the greater, is the difference a loss or a gain? [103] To what other accounts will the above rule apply?

EXAMPLES IN JOURNALIZING.

NOTE.—The following twenty-seven examples, representing a series of business transactions, are designed to illustrate the application of the principles embodied in the foregoing General and Special Rules, and to serve as references to aid the student in the work of journalizing. These examples are not to be written up, but should be carefully studied by the student in the following manner: First read the Day Book Record for the business transaction; next see what Journal Entry is made for it; next consult the rules and principles governing the journal entry, as per reference figures under each example; next trace the posting of the journal entry to the proper Ledger accounts as indicated by the reference figures. Explanations are given under a few, and reference figures under all of the examples, to indicate how this work is to be performed.

By carefully observing the foregoing instructions, the pupil will easily and quickly master the principles of debit and credit, and the results to be secured through their application will be made clear to him.

EXAMPLE No. 1.

DAY BOOK RECORD.	ITEMS.	TOTAL.	JOURNAL ENTRY FOR SAME.	DR.	CR.
J. T. Smith commenced business this day, and invested Cash,		5000	Cash,	5000	
			To J. T. Smith,		5000

By applying the principles and rules given on the preceding pages, to the business transaction shown in the above Day Book record, we find that there is involved in it a debit, Cash, and a credit, J. T. Smith.

Cash is Dr. because it comes into the business; it is received (*60, page 8*).

J. T. Smith is Cr. because he is the proprietor of the business and should be credited for his investment (*44, page 6*).

After the debit and credit have been decided upon they are entered in the Journal as shown above, the debit being placed in the left-hand column and the credit in the right-hand column. Deciding upon and entering the debits and credits in the Journal is called journalizing (*10, page 5*).

In due time the debit and credit contained in the above journal entry will be transferred to the Ledger, the debit amount being entered on the left or Dr. side of the Cash account (*see Cash account, page 17*), and the credit amount on the right or Cr. side of J. T. Smith's account (*see Smith's account, page 17*). Transferring the debits and credits from the Journal to the Ledger is called posting (*20, page 5*).

EXAMPLE No. 2.

DAY BOOK RECORD.		JOURNAL ENTRY FOR SAME.		
Bought of J. E. Morse, for Cash,		Mdse.,	1200	
200 bbls. Flour, at 6.00,	1200	To Cash,		1200

We find that the above transaction contains a debit, Merchandise, and a credit, Cash.

Ques. Why is Mdse. Dr.? *Ans.* Because it is bought (*68, page 9*).

Ques. Why is Cash Cr.? *Ans.* Because it is paid out (*61, page 8*).

Ques. How will the above journal entry be posted. *Ans.* On the Dr. side of Merchandise (*see Mdse. account, page 18*), and on the Cr. side of Cash (*see Cash account, page 17*).

Ques. What is shown by the debit side of the Mdse. account in the Ledger? *Ans.* The cost of the Mdse. bought (*see footing of Dr. side of Mdse. account, page 18*).

Ques. What is shown by the credit side of Cash account in Ledger? *Ans.* The amount of Cash paid out (*see footing of Cr. side of Cash account, page 17*).

EXAMPLE No. 3.

DAY BOOK RECORD.		JOURNAL ENTRY FOR SAME.		
Sold Geo. Andrews, for Cash,		Cash,	337 50	
50 bbls. Flour, at 6.75,	337 50	To Mdse.,		337 50

Ques. In above transaction, why is Cash Dr.? *Ans.* Because it is received (*60, page 8*).

Ques. Why is Mdse. Cr.? *Ans.* Because it is sold (*69, page 9*).

Ques. How will the above journal entry be posted? *Ans.* On the Dr. side of Cash (*see Cash account, page 17*), and on Cr. side of Mdse. (*see Mdse. account, page 18*).

Ques. What is shown by the debit side of Cash account in the Ledger? *Ans.* The amount of Cash received (*see footing of Dr. side of Cash account, page 17*).

Ques. What is shown by the credit side of Merchandise account in the Ledger? *Ans.* The amount produced from sales of merchandise (*see footing of Cr. side of Mdse. account, page 18*).

REMARK.—The student will observe that amounts which appear in the left-hand or Dr. column in the Journal are invariably posted to the left or Dr. side of the Ledger, under the title standing opposite the amount in the Journal; and those amounts in the right-hand or Cr. column in the Journal are posted to the right or Cr. side of the Ledger, under the title standing opposite the amount.

EXAMPLE No. 4

DAY BOOK RECORD.		JOURNAL ENTRY FOR SAME.		
Bought of E. N. French, on account,		Mdse.,	1450	
100 bbls. Beef, at 14.50,	1450	To E. N. French,		1450

Mdse. *For journalizing principle, see 68, page 9. For Ledger account, see page 18.*
E. N. French. *For journalizing principle, see 52b, page 7. For Ledger account, see page 18.*

REMARK.—Under the remaining examples only reference figures will be given to the principles involved, and to the Ledger illustrations. It is expected that the student will, in the study of each example, follow out the plan of questions and answers outlined under examples No. 2 and No. 3.

EXAMPLE No. 5.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Sold Reed & Mills, on account,			Reed & Mills,	1150	
50 bbls. Flour, at 7.00,	350		To Mdse.,		1150
50 " Beef, 16.00,	800	1150.			

Reed & Mills. *For journalizing principle, see 51a, page 7. For Ledger account, see page 18.* Merchandise. *For journalizing principle, see 69, page 9. For Ledger account, see page 18.*

EXAMPLE No. 6

DAY BOOK RECORD.		JOURNAL ENTRY FOR SAME.		
Paid rent of store in Cash,	50	Expense,	50	
		To Cash,		50

Expense. *For journalizing principle, see 94, page 11; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 7.

DAY BOOK RECORD.		JOURNAL ENTRY FOR SAME.		
Paid E. N. French, cash to apply on account,	450	E. N. French,	450	
		To Cash,		450

E. N. French, *principle 51b, page 7; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 8.

DAY BOOK RECORD.		JOURNAL ENTRY FOR SAME.		
Received cash of Reed & Mills, to apply on account,	200	Cash,	200	
		To Reed & Mills,		200

Cash, *principle 60, page 8; Ledger account, page 17.* Reed & Mills, *principle 52a, page 7; Ledger account, page 18.*

EXAMPLE No. 9

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Bought of E. D. Harris,			Mdse,	1200	
100 bbls. Pork, at 12.00,		1200			
Gave my note at 10 days			To Bills Payable,		1200
in payment,					

Mdse., *principle 68, page 9; Ledger account, page 18.* Bills Payable, *principle 85, page 10; Ledger account, page 18.*

EXAMPLE No 10.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Received of Reed & Mills,			Bills Receivable,	600	
their note at ten days,					
to apply on account,		600	To Reed & Mills,		600

Bills Receivable, *principle 76, page 9; Ledger account, page 18.* Reed & Mills, *principle 52a, page 7; Ledger account, page 18.*

EXAMPLE No 11

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Gave E. N. French my			E. N. French,	500	
note at ten days, with					
interest, to apply on			To Bills Payable,		500
account,		500			

E. N. French, *principle 51b, page 7, Ledger account page 18.* Bills Payable, *principle 85, page 10; Ledger account, page 18.*

EXAMPLE No 12.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Sold Chas. Hamlin,			Bills Receivable,	1050	
50 bbls. Flour, at 7.00,	350				
50 " Pork, 14.00,	700	1050			
Rec'd payment by his			To Mdse.,		1050
note at ten days, with					
interest,					

Bills Receivable, *principle 76, page 9; Ledger account, page 18.* Mdse., *principle 69, page 9; Ledger account, page 18.*

EXAMPLE No. 13.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.		
Sold F. E. Clark,				Cash,	150	
25 bbls. Beef, at 16.00,		400	See note below.	F. E. Clark,	250	
Rec'd in payment, Cash,	150					
Balance on account,	250			To Mdse.,		400

Cash, *principle 60, page 8; Ledger account, page 17.* F. E. Clark, *principle 51a, page 7; Ledger account, page 18.* Mdse., *principle 69, page 9; Ledger account, page 18.*

NOTE.—The above form is equivalent to making Clark Dr. 400 and Mdse. Cr. 400 in one entry, and then making a second entry, Cash Dr. 150, Clark Cr. 150, and if it were desired to show the volume of Clark's purchases in his Ledger account, the two entries would be necessary. For the present purposes of illustration of the principles of debit and credit, however, in which the Cash Book is not introduced, the Journal form given above is preferred.

EXAMPLE No. 14

DAY BOOK RECORD.

Bought of Milo Sage,			
300 bbls. Flour, at 6.50,		1950	
Paid him Cash,	950		
Balance on account,	1000		

See note below Ex. No. 13.

JOURNAL ENTRY FOR SAME.

Mdse.,	1950	
To Cash,		950
" M. Sage,		1000

Mdse., *principle 68, page 9; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.* M. Sage, *principle 52b, page 7; Ledger account, page 19.*

EXAMPLE No. 15.

DAY BOOK RECORD.

Bought of W. E. Holt,		
200 bbls. Beef, at 13.00,		2600
Paid him Cash,	600	
My note at 15 days for balance,	2000	

JOURNAL ENTRY FOR SAME.

Mdse.,	2600	
To Cash,		600
" Bills Payable,		2000

Mdse., *principle 68, page 9; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.* Bills Payable, *principle 85, page 10; Ledger account, page 18.*

EXAMPLE No. 16.

DAY BOOK RECORD.

Bought Safe for Office, and paid for same in Cash,		200

JOURNAL ENTRY FOR SAME.

Expense,	200	
To Cash,		200

Expense, *principle 94, page 11; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 17

DAY BOOK RECORD.

Sold A. D. Larkin,		
50 bbls. Flour, at 7.50,	375	
25 " Beef, 16.00,	400	775
Rec'd in payment, Cash,	275	
His note at two months for balance,	500	

JOURNAL ENTRY FOR SAME.

Cash,	275	
Bills Receivable,	500	
To Mdse.,		775

Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 76, page 9; Ledger account, page 18.* Mdse., *principle 69, page 9; Ledger account, page 18.*

EXAMPLE No 18

DAY BOOK RECORD.

J. T. Smith drew cash from the business for private use,		350

JOURNAL ENTRY FOR SAME.

J. T. Smith,	350	
To Cash,		350

J. T. Smith, *principle 43, page 6; Ledger account, page 17.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No 19

DAY BOOK RECORD.

Rec'd of F. E. Clark, to balance account,		
Cash,	100	
His note at 45 days for	150	250

JOURNAL ENTRY FOR SAME.

Cash,	100	
Bills Receivable,	150	
To F. E. Clark,		250

Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 76, page 9; Ledger account, page 18.* F. E. Clark, *principle 52a, page 7; Ledger account, page 18.*

EXAMPLE No 20

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid M. Sage, to apply on account, Cash,	250		M. Sage,	750	
My note at 30 days, with interest,	500	750	To Cash,		250
			" Bills Payable,		500

M. Sage, *principle 51b, page 7; Ledger account, page 19.* Cash, *principle 61, page 8; Ledger account, page 17.* Bills Payable, *principle 85, page 10; Ledger account, page 18.*

EXAMPLE No. 21.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid my note of the 10th inst., in favor of E. D. Harris, in Cash,		1200	Bills Payable,	1200	
			To Cash,		1200

Bills Payable, *principle 84, page 10; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No 22.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Rec'd cash of Reed & Mills, for their note of 11th inst., due to-day,		600	Cash,	600	
			To Bills Receivable,		600

Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 77, page 9; Ledger account, page 18.*

EXAMPLE No. 23.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid my note of 12th inst, in favor of French, due to-day, with interest, in Cash,		501 08	Bills Payable,	500	
			Interest,	1 08	
Face of note,	500		To Cash,		501 08
Interest to date,	1 08				

Bills Payable, *principle 84, page 10; Ledger account, page 18.* Interest, *principle 99, page 11; Ledger account, page 19.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 24.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Rec'd cash of Chas. Hamlin, for his note of 13th inst., due to-day, with interest,		1052 28	Cash,	1052 28	
			To Bills Receivable,		1050
Face of note,	1050		" Interest,		2 28
Interest to date,	2 28				

Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 77, page 9; Ledger account, page 18.* Interest, *principle 100, page 11; Ledger account, page 19.*

EXAMPLE No. 25.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Prepaid my note of 17th inst., in favor of W. E. Holt,	2000		Bills Payable,	2000	
Discount off,	2 67		To Discount,		2 67
Paid balance in Cash,	1997 33		" Cash,		1997 33

Bills Payable, *principle 84, page 10; Ledger account, page 18.* Discount, *principle 100, page 11, Ledger account, page 19.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 26.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
A. D. Larkin prepaid his note of 19th inst.,	500		Discount,	4 33	
Discount off,	4 33		Cash,	495 67	
Rec'd balance in Cash,	495 67		To Bills Receivable,		500

Discount, *principle 99, page 11; Ledger account, page 19.* Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 77, page 9; Ledger account, page 18.*

EXAMPLE No. 27.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid Clerks' Salaries to date, in Cash,		100	Expense,	100	
			To Cash,		100

Expense, *principle 94, page 11; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

LEDGER.

Dr. J. T. SMITH. *Cr.*

Ex. No.	18		350	Ex. No.	1		5000
						Total credit, 5000	
						" debit, 350	
						Net credit, 4650	

Dr. CASH. *Cr.*

Ex. No.	1		5000		Ex. No.	2		1200	
"	3		337	50	"	6		50	
"	8		200		"	7		450	
"	13		150		"	14		950	
"	17		275		"	15		600	
"	19		100		"	16		200	
"	22		600		"	18		350	
"	24		1052	28	"	20		250	
"	26		495	67	"	21		1200	
		Cash rec'd, 8210.45	8210	45	"	23		501	08
		" paid out, 7848 41			"	25		1997	33
					"	27		100	
		Bal. on hand, 362.04						7848	41

Dr. MERCHANDISE. *Cr.*

Ex. No.	2		1200	Ex. No.	3			337	50
"	4		1450	"	6			1150	
"	9		1200	"	12			1050	
"	14		1950	"	13			400	
"	15		2600	"	17	Proceeds from sales, 3712.50		775	
			8400			Total cost, 8400		3712	50
		Inventory.				Less inventory, 5600, 2800.			
		350 bbls. Flour, 2100							
		200 " Beef, 2900				Gain, 912.50			
		50 " Pork, 600							
		(Resource), 5600							

Dr. E. N. FRENCH. *Cr.*

Ex. No.	7		450	Ex. No.	4			1450	
"	11		500						
			950						
						We got into his debt, 1450			
						We got out of his debt, 950			
						We still owe him, (Liability), 500			

Dr. REED & MILLS. *Cr.*

Ex. No.	5		1150	Ex. No.	8			200	
				"	10			600	
								800	
		They got into our debt, 1150							
		They got out of our debt, 800							
		They still owe us, (Resouree). 350							

Dr. EXPENSE. *Cr.*

Ex. No.	6		50						
"	16		200						
"	27		100						
			350						
		Total outlay 350							
		Less safe on hand, Inventory, (Resouree), 200							
		Loss, 150							

Dr. BILLS PAYABLE. *Cr.*

Ex. No.	21		1200	Ex. No.	9			1200	
"	23		500	"	11			500	
"	25		2000	"	15			2000	
			3700	"	20			500	
						Issued, 4200		4200	
						Redeemed, 3700			
						Outstanding, (Liability). 500			

Dr. BILLS RECEIVABLE. *Cr.*

Ex. No.	10		600	Ex. No.	22			600	
"	12		1050	"	24			1050	
"	17		500	"	26			500	
"	19		150					2150	
			2300						
		Received, 2300							
		Disposed of, 2150							
		On hand (Resource), 150							

Dr. F. E. CLARK. *Cr.*

Ex. No.	13		250	Ex. No.	19			250	

Dr. MILO SAGE. *Cr.*

Ex. No.	20			750	Ex. No.	14	We got into his debt, 1000 We got out of his debt, 750 We still owe him, (Liability). 250		1000

Dr. INTEREST. *Cr.*

Ex. No.	23			1 08	Ex. No.	24	Allowed to us, 2.28 Allowed to others, 1.08 Gain, 1.20		2 28

Dr. DISCOUNT. *Cr.*

Ex. No.	26	Allowed to others, 4 33 Allowed to us, 2.67 Loss, 1.66		4 33	Ex. No.	25			2 67

The following is a statement of the Losses, Gains, Resources and Liabilities exhibited by the accounts of the foregoing Ledger, and shows the Proprietor's Net Gain and Present Worth.

STATEMENT.

Losses.			Gains.		
Expense (*see account, page 18*),		150 00	Merchandise (*see account, page 18*),		912 50
Discount (*see account above*),		1 66	Interest (*see account above*),		1 20
		151 66			913 70
			Total Gains,	913 70	
			" Losses,	151 66	
			Net Gain,	762 04	

Resources.		Liabilities.	
Cash (*see account, page 17*),	362 04	E. N. French (*see account, page 18*),	500 00
Mdse., Inventory (*see account, page 18*),	5600 00	Bills Payable (*see account, page 18*),	500 00
Reed & Mills (*see account, page 18*),	350 00	M. Sage (*see account above*),	250 00
Expense, Inventory (*see acct., page 18*),	200 00		1250
Bills Receivable (*see account, page 18*),	150 00		
	6662 04		

Proprietor's Present Worth.		Proof of Proprietor's Present Worth.	
J. T. Smith's credit (*See acct., page 17*),	5000 00	Total Resources,	6662 04
" " debit (" " " "),	350 00	" Liabilities,	1250 00
" " net credit,	4650 00	Net Resources, or J. T. Smith's Present Worth,	5412 04
" " net gain,	762 04		
" " present worth,	5412 04		

NOTE TO THE STUDENT.—Having completed the study of the foregoing pages, in accordance with the directions given you, before commencing the work of the month of January following, you will report to the teacher, who will ask you such questions, and give you such instructions and suggestions, upon the principles embodied in the preceding pages, as he may consider desirable.

January 1, 18-

Ex. No. 1, p. 12.	1 Students Name commenced business this day and invested cash				4000	
Ex. No. 2, p. 12.	2 Bought of Wm Brown for cash 100 bbls Flour	5.			500	
Ex. No. 3, p. 12.	3 Sold N. Davis for cash 50 bbls Flour	6.			300	
Ex. No. 2, p. 12.	4 Bought of Dart & Co. for cash 100 bbls Pork	9.	900			
	100 " Beef	12.	1200		2100	
Ex. No. 3, p. 12.	5 Sold Chas D. Gordon for cash 25 bbls Flour	6.25	156	25		
	50 " Beef	14	700		856	25
Ex. No. 6, p. 13.	6 Paid rent of store in cash				50	
Ex. No. 4, p. 13.	8 Bought of J. D. Morgan on acct. 100 bbls. Flour	5.			500	
Ex. No. 3, p. 13.	10 Sold R. C. Steele on account 50 bbls. Flour	6			300	
Ex. No. 4, p. 13.	12 Bought of D. Hammond on acct. 100 bbls. Salt	1.25	125			
	50 " Beef	12	600		725	
Ex. No. 5, p. 13.	15 Sold James T. Wood on account 25 bbls Pork	10.50	262	50		
	10 " Salt	1.50	15			
	30 " Flour	6.	180		457	50

January 16, 1-

See Prin. 60, page 8, 69, p. 9.	Sold Tartin Bros. for cash						
	50 bbls. Pork	10.50	525				
	25 " Flour	6.	150		675		
	20						
See Prin. 94, page 11. 61, p. 8.	Bought for cash two tons coal for use of Store				10	50	
	22						
See Prin. 68, page 9, 61, pa. 8.	Bought of Clark, Good + Co. for cash						
	100 bbls. Flour	5.			500		
	23						
Ex. No. 8, p. 13.	Received cash of A. C. Stebbins in full of acct.				300		
	25						
See Prin. 51a, page 7, 69, pa. 9.	Sold James T. Wood on acct.						
	40 bbls. Flour	6			240		
	26						
Ex. No. 7, p. 13.	Paid D. Hammond cash to apply on account				400		
	27						
See Prin. 60, page 8, 69, p. 9.	Sold Chas. D. Gordon for cash						
	25 bbls. Salt	1.50	37	50			
	25 " Beef	14.	350		387	50	
	29						
Ex. No. 27, p. 17.	Paid clerks' salaries for January in cash				175		
	30						
See Prin. 60, page 8, 52a, p. 7.	Received cash of Jamis T. Wood on account				200		
	31						
See Prin. 68, page 9, 52b, p. 7.	Bought of D. Hammond on acct.						
	50 bbls. Pork	9.			450		

DIRECTIONS FOR JOURNALIZING.

Having completed the work of copying the foregoing transactions into your Day Book, you may now journalize them. As explained in 9 and 10, on page 5, journalizing is deciding upon the debits and credits of the business transactions recorded in the Day Book, and arranging them in the Journal in a form convenient for transferring (posting) to the Ledger. In journalizing, therefore, you will need your Day Book and Journal before you.

The examples commencing on page 12 are designed to assist you in the work of journalizing. To illustrate: Read the transaction January 1 in your Day Book; then turn to page 12 and compare it with the Day Book Record of Example No. 1. As you will see, they read substantially alike, and precisely the same principles are involved in each. If, therefore, Example No. 1 be journalized

Cash, Dr. 5000
To J. T. Smith, Cr. 5000 (*see journal entry for Example No. 1, page 12*), it follows that the first transaction in your Day Book should be journalized

Cash, Dr. 4000
To Student, Cr. 4000

Turn to your Journal, therefore, and make the journal entry as shown in the illustration below omitting for the present, the figures in the column at the *left*. Their use will be explained later. You will observe that the debits are entered on the left side and the credits on the right side of the dividing line. The abbreviations Dr. and Cr. are omitted from the Journal. The sign "To" indicates that the item before which it is placed is a credit. After you have made the entry in your Journal, turn at once to your *Day Book*, and, in the column at the left, check the transaction thus √ as shown in the illustration on page 20, to prevent omissions. This completes the work of journalizing the first transaction, January 1. The entry will not be posted until later, when full instructions will be given. Next proceed to journalize the transaction JANUARY 2.

By reference to page 20, you will see that the small reference figures at the left of this transaction indicate that you are to consult Example No. 2, on page 12 for assistance in making the journal entry. Again, the reference figures for transaction of January 3, page 20, refer you to Example No. 3, page 12, for transaction of January 4, to Example No. 2, and so on.

By referring in this manner to an example *containing the same conditions* as the transaction you are journalizing, you can readily determine the proper debits and credits for all the transactions in January. In consulting these examples for assistance in making the journal entries, you are at the same time to repeat the rules governing the entry, that you may, as soon as possible, become thoroughly familiar with the principles of debit and credit.

It is desirable that you should, as soon as possible, proceed with the journalizing independent of the examples. Therefore, after making a few entries, do not refer to the examples unless it is absolutely necessary to do so, but journalize the transactions by applying the principles and rules for journalizing, as given on pages 6 to 11.

After journalizing all of the transactions for January, present your Journal to the teacher for approval.

January 1, 18-

2.	Cash		4000		
1.	To Student				4000
	2.				
	Mdse		500		
	To Cash				500
	3				
	Cash		300		
	To Mdse.				300

DIRECTIONS FOR POSTING.

After you have journalized all the transactions for January, and your Journal has been approved by the teacher, your next work will be to post. Posting, as explained in 15 to 20, on page 5, is transferring the debits and credits from the Journal to the Ledger, placing those of the same name under one heading, for the purpose of exhibiting the final results of the business. The simple process of posting is not difficult; it is purely mechanical, but it requires constant watchfulness and care to perform the work without making errors.

A few Ledger accounts are shown on page 25, to give you an idea of the form for opening accounts in your Ledger; and you will find *explicit* instructions for posting given below, under "Guide for posting the Journal entries for January."

You are to follow those instructions to the very letter, performing the work step by step as directed. To illustrate: In the instructions for posting the first journal entry (*Jan. 1*), you are directed to "write your own name at the top of page 1 in your Ledger." Before reading the instructions further, you should turn to your Ledger and perform the work exactly as directed; then turn again to the instructions and see what the next step is, and take that, and so on until you have posted the entire entry.

Then take the instructions for the second entry in your Journal, and proceed in the same manner as with the first entry, performing the work precisely as indicated.

After you have posted a few of the journal entries by the aid of the instructions, lay aside your text book and proceed without it if possible.

You may now place your Journal and Ledger before you, and commence posting in accordance with the following:

GUIDE FOR POSTING THE JOURNAL ENTRIES FOR JANUARY.

JANUARY 1. (See this entry in your Journal.)

First, write your name at the top of page 1 in your Ledger, on the *upper line*, in a bold, plain hand. (*See form of Ledger on page 25.*) Next, on the Cr. side of the heavy line in the center—that is the right-hand side—enter, in the date column, the date, *Jan. 1.* (The explanation column being little used in business it will be left entirely blank for the present.) Next, in the journal page column, enter the page of your Journal, *1.* Next, in the amount column, enter the amount, *4000.* Next turn to your Journal, and enter the page of the Ledger, *1*, in the column at the *left* of student's name as a check to indicate that the item has been posted. (*See Journal form on page 22.*) *Before reading any further,* perform the above work *precisely* as instructed. Next write *Cash,* in a bold, plain hand, at the *top of page 2* in your Ledger. Next, on the Dr. side of the heavy line in the center—that is, on the left-hand side—enter, in the date column, the date, *Jan. 1.* Next, in the Journal page column, enter the page of your Journal, *1.* Next, in the amount column, enter the amount, *4000.* Next turn to your Journal and enter the page of the Ledger, *2*, in the column at the left of Cash, to indicate that this item has been posted. This completes the posting of the entry. Next proceed to post the entry of

JANUARY 2. (See this entry in your Journal.)

Open an account with MERCHANDISE at the *top of page 3* in your Ledger; then, on the Dr. side—that is, the left-hand side—enter in the date column, the date, *Jan. 2;* next, enter the Journal page, *1;* next, enter the amount, *500;* next, turn to the Journal and enter the Ledger page, *3*, in the column at the left of Mdse. as a check to show that it has been posted.

Next turn to Cash account on page 2 in the Ledger, and enter, on the Cr. side—right-hand side—the date, *Jan. 2;* next, enter the Journal page, *1;* next, enter the amount, *500;* next, turn to the Journal and enter the Ledger page, *2*, at the left of Cash as a check.

JANUARY 3. (See the Journal entry.)

Turn to Cash account on page 2 in your Ledger, and enter, on the Dr. side—*left hand* side—of the account, the date, *3*, placing ditto marks under the month, *Jan.*, to save repetition; next, enter the journal page, *1;* next, enter the amount, *300;* next, turn to your Journal and check as before by entering the Ledger page, *2*, at the left of Cash. Next turn to Merchandise account on page 3, and enter, on the Cr. side, the date, *Jan. 3;* next, the journal page, *1;* next, the amount, *300;* next, turn to your Journal and check Merchandise by entering the Ledger page, *3*.

JANUARY 4. (See this entry in your Journal.)

Turn to Merchandise account, on page 3 in your Ledger, and enter, on the Dr. side, the date, *4*, the journal page, *1;* the amount, *2100;* then check in Journal as before instructed. Next, on Cr. side of Cash account, enter the date, *4;* the journal page, *1;* the amount, *2100;* then check in Journal.

JANUARY 5. (See the Journal entry.)

On Dr. side of Cash account enter the date, *5;* the journal page, *1;* the amount, *856.25;* check in Journal. On Cr. side of Merchandise, enter the date, *5;* the journal page, *1;* the amount, *856.25;* check in Journal.

JANUARY 6. (See the Journal entry.)

Open an account with EXPENSE at the top of page 4. Enter, on the Dr. side, the date, *Jan. 6;* next, the journal page, *1;* next, the amount, *50;* next, check in the Journal. Next, turn to Cash account, on page 2, and enter, on the Cr. side, the date, *6;* the journal page, *1;* the amount, *50;* then check in the Journal.

JANUARY 8. (See the Journal entry.)

On Dr. side of Merchandise account enter the date, *8;* journal page, *1;* the amount, *500;* then check in Journal. Next, open an account with J. D. MORGAN, on page 4, twenty lines below Expense account, and enter, on the Cr. side, on the second line below the title, the date, *Jan. 8;* journal page, *1;* amount, *500;* then check in Journal.

JANUARY 10.

Open an account with A. O. STEELE, on page 4, ten lines below J. D. Morgan's account, and enter, on the Dr. side, two lines below the title, the date, *Jan. 10;* the journal page, *1;* the amount, *300;* then check in Journal. Next, turn to Merchandise account and enter, on the Cr. side, the date, journal page and amount; then check in Journal.

JANUARY 12.

On Dr. side of Merchandise account enter the date, journal page, amount, and check in Journal. Next, open an account with D. HAMMOND at top of page 5. Enter, on Cr. side, the date, journal page, amount, and check in the Journal.

JANUARY 15.

Open an account with JAMES T. WOOD, on page 5, ten lines below D. Hammond's account, and enter, on the Dr. side, two lines below the title, the date, journal page and amount; then check in journal. Next turn to Merchandise account and post, on Cr. side, as heretofore instructed, remembering to check in the Journal.

JANUARY 16.

Post on Dr. side of Cash account, and Cr. side of Merchandise account. Be careful to check in the Journal after each posting.

NOTE.—You should now be able to proceed with the posting without further assistance. In case, however, you are unable to do so, for additional practice apply to the teacher for a *separate sheet* of ledger paper, and post the same entries again.

[101] You will observe that, in every journal entry, an equal amount is posted to both sides of the Ledger, thus keeping it constantly in balance. This is the principle upon which Double Entry book keeping is based and from which it takes its name.

Student.

Date.	Explanation.	Journal Page	Amount.	Date.	Explanation.	Journal Page	Amount
				18– Jan. 1		1	4000

Cash.

Open this account at top of page 2.

18–						18–					
Jan.	1		1	4000		Jan.	2		1	500	
"	3		1	300		"	4		1	2100	
"	5		1	856	25	"	6		1	50	

Merchandise.

Open this account at top of page 3.

18–						18–					
Jan.	2		1	500		Jan.	3		1	300	
"	4		1	2100		"	5		1	856	25
"	8		1	500							

Expense.

Open this account at top of page 4.

18–											
Jan.	6		1	50							

J. D. Morgan.

Open this account twenty lines below Expense.

						18–					
						Jan.	8		1	500	

TRIAL BALANCE.

[105] A Trial Balance is a test to ascertain whether the debit and credit sides of the Ledger are equal. [106] The Trial Balance does not prove the work to be absolutely correct, [107] as errors may be made which will not affect the equality of the Ledger, [108] such as posting to the wrong account, errors in journalizing, erroneous computations, etc.

[109] If the footings of the Trial Balance are equal, however, it is generally accepted as proof that the work upon the Ledger is correct, [110] although the careful book-keeper, in addition to such proof, will usually go over his computations and posting the second time.

You may now proceed to take a Trial Balance for January.

INSTRUCTIONS FOR TAKING JANUARY TRIAL BALANCE.

Commencing with the first account in your Ledger, which is Student's, [111] write your name on the first line in the trial balance sheet, preceding it, in the column marked L. F. (Ledger Folio), with the page of the Ledger on which the account appears; then place the Cr. footing, *4,000*, in the right hand column, as illustrated in the trial balance given below.

You will then turn to the next account in your Ledger—Cash. Add both sides of the account, [112] placing the footings in *small lead-pencil figures*, [113] close up to the line on which the last item is posted, as illustrated in the Cash account below.

NOTE.—Use a sharp-pointed lead pencil for all work of this kind, as the figures can be made much smaller and more legible than with a dull-pointed pencil.

CASH.

18—						18—					
Jan.	1	1	4000			Jan.	2	1	500		
"	3	1	300			"	4	1	2100		
"	5	1	856	25		"	6	1	50		
"	16	1	675			"	20	1	10	50	
"	23	1	300			"	22	1	500		
"	27	2	387	50		"	26	1	400		
"	30	2	200			"	29	1	175		
			6718	75					3735	50	

The above illustration shows how the Cash account will appear in the Ledger after it has been footed for the trial balance. [114] Do not draw lines under the columns to be added, as the peculiar position of the footing serves to distinguish it from the other items in the account. [115] Make your pencil footings plain and distinct, but *quite small*. When there is but one item, no pencil figures are necessary. [116] After the account has been footed as instructed above, transfer the footings, with the title and page of the account—Cash—to the next line in the trial balance sheet. Continue in this manner, footing and carrying results to the trial balance, until the footings of all the accounts in the Ledger have been transferred. (*See 117 and 118, page 27.*) If your trial balance is correct, the footings of the sides will be equal, and will correspond in all particulars with the one given below.

Trial Balance, January 31, 18—

L. F.					
1	Student			4000	
2	Cash	6718	75	3735	50
3	Merchandise	4775		3216	25
4	Expense	235	50		
4	J. D. Morgan			500	
5	D. Hammond	400		1175	
5	James F. Wood	697	50	200	
		12826	75	12826	75

[117] When the footings of both sides of an account are equal it may be omitted from the trial balance, as in the case of the account with A. O. Steele. You may rule up Steele's account in your Ledger at once. (*See first ruling of Hoag's account, page 43*). [118] *Always use red ink in ruling.*

NOTE.—Questions upon a few of the leading principles involved in the work of the foregoing set are given below, and you should be prepared to answer them satisfactorily if called upon by the teacher at any time to do so. Before proceeding further, therefore, study carefully the answers to the following

QUESTIONS FOR REVIEW.

Page 5.—[1-2] What is Book-keeping? [6-8] Explain the use of the Day Book. [9] The Journal. [16] The Ledger. [10] What is Journalizing? [20] What is Posting? [25] What are the three kinds of accounts used in Double Entry? Page 6.—[26-31] Give the general rules for journalizing. [43-44] Give the rule for journalizing Proprietor's account. Page 8.—[60-61] For Cash. Page 9.—[68-69] For Merchandise. Page 11.—[94-95] For Expense. Page 24.—[104] From what does double entry book-keeping take its name? Page 26.—[105] What is a Trial Balance? [106] Does the trial balance prove the work to be absolutely correct? [107] Why not? [108] What errors might be made that would not affect the equality of the Ledger? [109] What is generally regarded as evidence that the work upon the Ledger is correct? [110] What should be done in addition to having such proof? [111-116] How will you proceed to take a Trial Balance? Page 27.—[117] What should be done when the footings of both sides of an account are equal? [118] What colored ink should always be used in ruling?

NOTE.—After you have become familiar with the principles covered by the above questions, proceed to copy into your Day Book the transactions for February, as given on the following pages. In all computations, if the fraction is five mills or over, add another cent; if less than five mills drop the fraction. Strive to make the work upon your books show constant progress in penmanship, by imitating as nearly as possible the forms given you to copy.

INSTRUCTIONS FOR FINDING TIME, AND COMPUTING INTEREST AND DISCOUNT.

The manner of finding time in discounting negotiable paper differs, somewhat, with places and individuals. In this work, for the sake of uniformity, the term of discount, in all cases, will be found by counting the actual number of days from the date of discount to the date of maturity, which will exclude the day of discount and include the day of maturity.

If the paper to be discounted is interest bearing, first compute the interest upon the face of it from the date it begins to draw interest to maturity; then add the interest to the face of the paper, and compute discount upon the amount thus obtained, from the date of discounting to maturity. The face, plus the interest, minus the discount, will be the proceeds.

Compute interest and discount at 6%, on a basis of 360 days for a year, unless otherwise specified, using the Short Method, for explanation of which see your Commercial Arithmetic.

PROMISSORY NOTE.

$900.50 New Albany, Ind. Feb. 14, 18—

Nine days after date we promise to pay James Brewster, or order, Nine Hundred, 50/100 Dollars, value received, at First National Bank.

Due Feb. 26, 18— Willis & Smith.

February 1, 18-

See Prin. 60, p. 8, 69, p. 9.	Sold D. Salt for cash					
	25 bbls. Salt	1.50			37	50
	2					
See Prin. 68, p. 9, 61, p. 8.	Bot. of Hart & Co. for cash					
	25 bbls. Lard 5000 lbs.	8 1/2 ₱			425	
	3					
51 b. p. 7, 61, p. 8.	Paid J. D. Morgan cash on acct.				100	
	5					
68, p. 9, 52 b. p. 7.	Bot of Bell Bros. & Day on acct.					
	10 bbls. C. Sugar, 2500 lbs.	6 1/2 ₱				
	10 ch. Japan Tea, 600 lbs.	50 ₱			462	50
	6					
94, p. 11, 61, p. 8.	Paid gas bill for Jan. in cash				6	50
	8					
51 a. p. 7, 69, p. 9.	Sold C. C. Stule on acct					
	10 bbls. Lard, 2500 lbs.	10 ₱				
	9					
60, p. 8, 52 a. p. 7.	Recd cash of J. T. Root on acct.				100	
	10					
Ex. No. 13, p. 13.	Sold Sturman, French & Co.					
	60 bbls Beef	14.			84	
	Recd cash on abov		240			
	Balance on acct.		60			
	12					
Ex. No. 18, p. 17.	Students Fund Drew cash for private use				150	
	13					
Ex. No. 14, p. 15.	Bot of Keller & Bach					
	50 bbls Beef	12.				
	50 " Pork	9.			105.	
	Paid cash on abov		25			
	Balance on account		5			
	15					
60, p. 8, 52 a, p. 7.	Recd cash of C. C. Stule on acct				100	

February 14, 15-

Ex. No. 12, p. 14.	Sold D W Powers on his note at 10 days					
	50 bbls Pork	10.50			525	
	15					
Ex. No. 9, page 14.	Bot of Chas D Norris on my note at 10 days					
	50 bbls Flour	5.			250	
For the simpler transactions no references will hereafter be given.	17					
	Sold O W Gardner for cash					
	3 bbls Sugar, 625 lbs	7¢				
	19					
76, p. 9, 69, p. 9.	Sold Freeman & Johnson on their note at 15 days, with interest					
	40 bbls Beef	14.			560	
	21					
68, p. 9, 85, p. 10.	Bot of Long & Martin on my note at 10 days, with interest					
	50 bbls Pork	9				
	50 " Beef	12.				
	22					
	Paid Miller & Beach cash on acct				200	
	23					
Ex. No. 10, p. 14.	Recd of Jas D Wood his note at 15 days in full of acct				397	50
	24					
	Paid rent and salaries in cash				175	
	26					
Ex. No. 11, p. 14.	Gave D Hammond my note at 10 days on acct				300	
	27					
Ex. No. 22, p. 16.	Recd cash for D W Powers note of 14th				525	
	28					
Ex. No. 21, p. 16.	Paid my note of 15th inst in cash				250	

NOTE.—Copy the Inventory as given below into your Day Book, immediately following the transactions for February. When the inventory includes a long list of goods, a separate book, called an "Inventory Book," is usually employed.

INVENTORY. FEB. 28, 18—.

	MERCHANDISE.					
	130 bbls. Flour,	5.00	650			
	40 " Salt,	1.25	50			
	10 ch. Japan Tea, 600 lbs.	.50	300			
	7 bbls. A Sugar, 1875 lbs.	.06½	121	88		
	75 " Beef	12.00	900			
	125 " Pork,	9.00	1125			
	15 " Lard, 3000 lbs.	.08½	255		3401	88

[1]An Inventory represents, generally, property on hand, as in the case above. [2]It may, however, represent a debt owing to us or owing by us, such as interest accrued on notes, unpaid rent, etc. [3]An Inventory may, therefore, show either a resource or a liability.

[4]In business, the inventory of goods on hand is usually found by going through the store, weighing, measuring or counting the articles, their value being estimated usually at cost, or at the price for which they could then be purchased. [5]In some kinds of wholesale business it is desirable to keep what is called a "Stock Book," from which the quantity of goods on hand can be determined at any time, and with much less labor than by the method described above.

NOTE.—After you have completed copying the foregoing transactions into your Day Book, before proceeding to journalize, draw up on foolscap paper the notes mentioned in the transactions Feb. 14, 15, 19, 21, 23, 26. (*See form of note on page 27.*)

After writing the notes called for above, proceed to journalize the transactions for February as you did those of January, referring when necessary to the principles and examples indicated by the figures at the left of the transactions to assist you in the work. Reference figures are given for a few of the more difficult transactions only in February, it being presumed that you are sufficiently acquainted with the principles to enable you to journalize all of the simpler transactions without such assistance.

When you have completed the journalizing for February, present your journal, together with the forms of notes called for above, to the teacher for approval. You will then be prepared to begin

POSTING FEBRUARY.

As the business of February is a continuation of that of January, it will be posted under the same ledger headings, new accounts being opened, of course, as they may be required. Since full instructions for posting were given in January, you will probably not require any further assistance, as the work of posting is always substantially the same.

Should you need further aid, however, in the work, instructions for posting a few of the first journal entries in February are given below.

GUIDE FOR POSTING FEBRUARY.

FEBRUARY 1. (See this entry in your Journal.)

Turn to Cash account on page 2 in the Ledger, and enter, on the Dr. side, on the *first blank line*, the date, *Feb. 1;* the page of the Journal, *3;* the amount, *37.50.* Then check in the Journal by entering the Ledger page, *2*, at the left of Cash. Next turn to Merchandise account on page 3 in the Ledger, and on the Cr. side, enter the date, *Feb. 1;* the journal page, *3;* the amount, *37.50.* Then check Merchandise in the Journal.

FEBRUARY 2.

On Dr. side of Merchandise account enter the date, journal page, amount, and check in the Journal. Next, on Cr. side of Cash account, enter the date, journal page, amount, and check.

FEBRUARY 3.

Post on Dr. side of J. D. Morgan's account, and then check in Journal. Next, post on Cr. side of Cash account, and check.

NOTE.—Continue posting in this manner until you have posted the entire month of February. In opening new accounts hereafter in this month, give each personal account ten lines space, and give Bills Receivable and Bills Payable *each* fifteen lines space.

BALANCE SHEET.

After you have completed the posting for February, you may next [7] make out a "Balance Sheet," for the purpose of ascertaining the exact condition of the business at the present time.

[7] The Balance Sheet as illustrated on page 33 combines with the Trial Balance a statement, exhibiting in a condensed and convenient form for reference, the Resources, Liabilities, Losses and Gains of the business. In performing this work, it is of the utmost importance to you that you *do not merely copy* the form of Balance Sheet. To do the work understandingly, securing a knowledge of the relations of the various accounts to the business, it is *absolutely essential* that you take each step in the order indicated, and perform the work precisely as directed in the instructions which follow.

GUIDE FOR MAKING BALANCE SHEET FOR FEBRUARY.

If you have not in your Trial Balance book a form ruled to correspond with the one shown on page 33, you will rule a sheet. First take a trial balance of your Ledger, precisely as instructed for January; that is, foot the accounts in pencil, and carry the footings to the *first two* columns of your Balance Sheet. Do not extend any amounts to the other columns until you have thus drawn off on your Balance Sheet all of the ledger accounts and footed the two columns, to ascertain whether your Ledger is in balance. If your trial balance proves—that is, if the first two columns foot alike—your next step will be to extend the Resources, Liabilities, Losses and Gains, as shown by the various accounts, as follows:

CASH.

Commence with Cash, it being the first account in your Balance Sheet following the Proprietor's (Student's) account. [8] From the Dr. footing, 7765.00, which is the cash received, subtract the Cr. footing, 5242.00, which is the cash paid out, and the difference will show the cash on hand, 2523.00, which you are to extend to the Resource column, because property on hand is a Resource. (*See 37, page 6.*)

MERCHANDISE.

[9] First enter, in the Resource column, the inventory of Merchandise, 3401.88, as shown on page 30, because property on hand is a Resource (*37, page 6.*) Make the entry in *red ink*, to distinguish it from the resources shown by the ledger accounts. Next, find the gain or loss on the account by either of the methods explained and illustrated below.

Explanation of First Method.

[10] To the Cr. footing, 5472.50, the proceeds from goods sold, add the Inventory, 3401.88, the value of goods remaining unsold; this will give the *total* proceeds, 8874.38. Then from this amount subtract the Dr. footing, 8012.50, the cost of all the goods bought, and the difference will be the gain, 861.88, which you are to extend to the Gain column, because an account that produces more than it costs, exhibits a gain (*36, page 6*).

Explanation of Second Method.

[11] From the Dr. footing, 8012.50, which is the cost of all the goods bought, subtract the Inventory, 3401.88, the cost of the goods on hand, and the difference will be the cost of the goods sold, 4610.62. Subtracting this amount from the Cr. footing, 5472.50, the proceeds from goods sold, the difference will be the gain, 861.88, which you are to extend to the Gain column (*36, page 6*).

Illustration.

First Method.		*Second Method.*		
Sales of Mdse. (Cr. footing),	5472.50	Sales of Mdse.		5472.50
Inventory (goods on hand, *page 31*),	3401.88	Cost of Mdse.	8012.50	
	8874.38	Inventory "	3401.88	
Cost of Mdse. (Dr. Footing),	8012.50			4610.62
Gives the gain,	861.88	Gives the gain,		861.88

EXPENSE.

[12] The Dr. footing, 417.00, shows the total outlay. There being no returns, you will extend 417.00 to the Loss column, because an account which costs more than it produces exhibits a loss (*35, page 6*).

J. D. MORGAN.

[13] From the Cr. footing, 500.00—the amount we got into his debt—subtract the Dr. footing, 100.00—the amount we got out of his debt. The difference, 400.00, is the amount we still owe him, which you are to extend to the Liability column, because an amount owing by us is a liability (*38, page 6*).

A. O. STEELE.

[14] From the Dr. footing, 250.00, the amount he got into our debt, subtract the Cr. footing, 100.00, the amount he got out of our debt, the difference, 150.00, is the amount he still owes us, which you are to extend to the Resource column, because an amount owing to us is a resource (*37, page 6*).

NOTE.—In extending the accounts of D. Hammond, Bell Bros. & Day and Miller & Beach, consult the explanation given above for J. D. Morgan. In extending Miller & Beach's account, consult the explanation for A. O. Steele.

BILLS PAYABLE

[15] From the Cr. footing, 1600.00, the amount of Bills Payable issued, deduct the Dr. footing, 250.00, the amount of Bills Payable redeemed; the difference, 1350.00, is the amount of Bills Payable outstanding, which you are to extend to the Liability column, because an amount owing by us is a liability (*38, page 6*).

BILLS RECEIVABLE.

[16] From the Dr. footing, 1482.50, the amount of Bills Receivable received, deduct the Cr. footing, 525.00, the amount of Bills Receivable disposed of; the difference, 957.50, is the amount of Bills Receivable on hand, which you are to extend to the Resource column, because an amount owing to us is a resource (*37, page 6*).

You may now foot the remaining columns of your Balance Sheet, viz: the Resource, Liability, Loss and Gain columns, after which make a summary of the results, as shown in the form of Balance Sheet on page 33.

EXPLANATION OF SUMMARY.

[17] From the footing of the Gain column, 861.88—which is the total amount of the gains—subtract the footing of the Loss column, 417.00—which is the total amount of the losses. The difference, 444.88, is the NET GAIN.

[18] From the Cr. footing of Student's (Proprietor's) account, 4000.00—which is the total amount invested by him in the business—subtract the Dr. footing, 100.00—which is the total amount withdrawn by him from the business. The difference, 3900.00, is the STUDENT'S NET CREDIT.

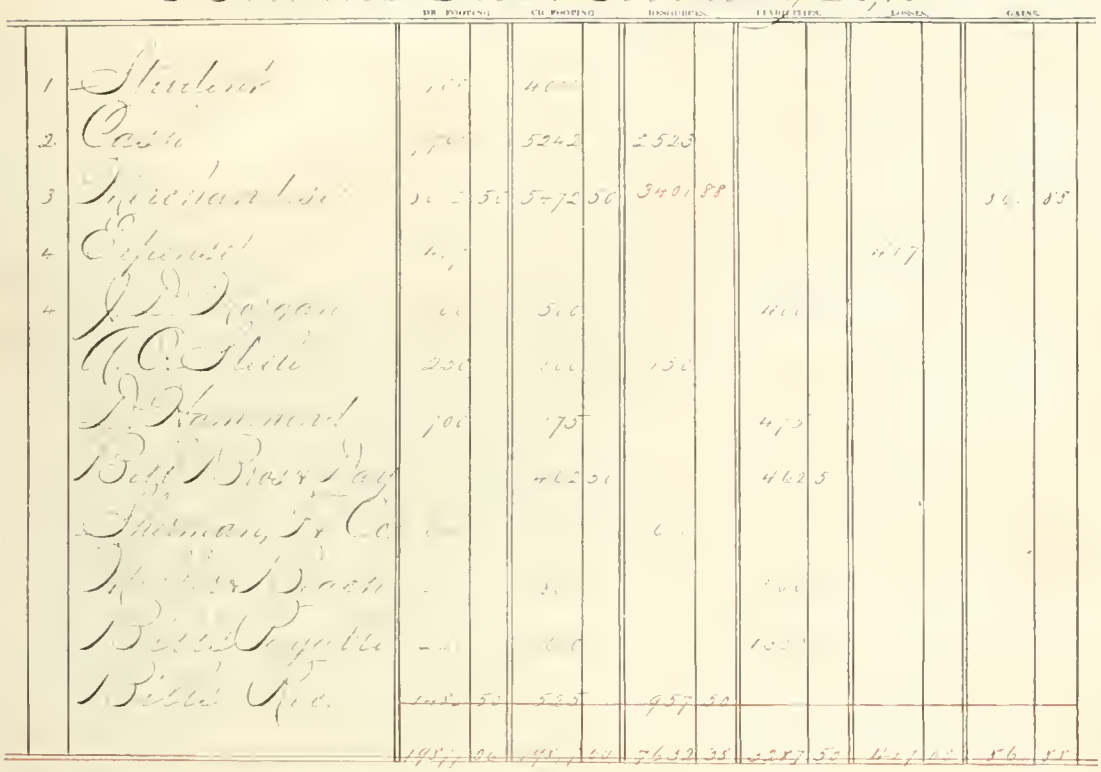
[19] Add to the net credit, 3900.00, the Net Gain, 444.88, and the amount, 4344.88, is the STUDENT'S PRESENT WORTH.

[20] It is evident that, if to the amount of *property* a person possesses be added the *amounts owing to him* (both shown by the Resource column), and from this sum be subtracted the *amounts owing by him* (shown by the Liability column), the difference must be what he is worth. Therefore

[21] From the footing of the Resource column, 7632.38—which is the total amount of resources—subtract the footing of the Liability column, 3287.50—which is the total amount of liabilities. The difference, 4344.88, is the NET RESOURCE, or STUDENT'S PRESENT WORTH, [22] and proves the result previously obtained by adding together the Net Credit and Net Gain, to find the Present Worth.

[23] When the losses exceed the gains, the difference is called the "Net Loss;" [24] in such case the Net Loss is to be deducted from the Net Credit, to find the Present Worth.

[25] When the Liabilities exceed the Resources, the Proprietor is said to be "Insolvent."



Balance Sheet February 25, 15

		DR. FOOTING		CR. FOOTING		ASSETS		LIABILITIES		LOSSES		GAINS	
1	Student	100		40									
2.	Cash	1		5242		2523							
3	Merchandise	3	50	5472	50	3401	88					36	88
4	Expense	4								417			
4	J. L. Dixon			500				400					
	A. C. Hale	250		100		150							
	J. Hammond	500		75				425					
	Bill Payable			462	50			462	50				
	Sherman, Jr. & Co.					6							
	[illegible]			5				500					
	Bill Receivable							100					
	Bills Rec.	100	50	525		957	50						
		1495	00	9121	00	7632	38	3287	50	417	00	36	88

Summary

Total Debits	14	88	Proof	
" Credits	4		Total Assets	7632 38
Net Gain	124	88	" Liabilities	3287 50
Student's Capital	1000		Student's Present Worth	1344 88
" Debit	100			
" Net Credit	3900			
" Net Gain	36	88		
" Present Worth	1344	88		

Having ascertained by the foregoing Balance Sheet the true condition of the business at the present time—that is, what the net gain has been, how much the proprietor is worth and of what his worth consists—it is desired to make the *Proprietor's* (*Student's*) *account in the Ledger* exhibit the present worth.

[26] To do this, the accounts showing gains and losses must be closed, and [27] the net gain entered in the Proprietor's account. [28] It is only necessary to close the accounts which show gains and losses, [29] because in them have been entered all transactions making the proprietor worth more or less, [30] The other accounts—those exhibiting resources and liabilities—simply show *of what the present worth consists*, and [31] closing them would in no way affect the Proprietor's account.

GUIDE FOR CLOSING THE ACCOUNTS SHOWING LOSSES AND GAINS.

[32] Following the last account in your Ledger, open an account with Loss & Gain, [33] to which are to be carried the losses and gains from the various accounts as they are closed, [34] and from which finally the Net Gain is to be transferred to the proprietor's account.

MERCHANDISE.

[35] The Inventory is first to be entered on the credit side of the account, that it may be added to the sales, as explained and illustrated in the *first method* for finding the gain or loss on Merchandise, on page 33. (This is equivalent to deducting it from the debit side, as explained in the *second method*, on page 33.) Proceed as follows: [36] On the Cr. side of the account, enter, first, the inventory. Write, IN RED INK, *Feb. 28, Inventory, 3401.88.* [37] Then to close the account, on the smaller side—which is the debit—enter the difference between the sides, that is, the gain. Write, IN RED INK, *Feb. 28, Loss & Gain, 861.88* (enter in the page column the page of the Loss & Gain account). [38] Next, rule and foot the account. (*See Merchandise account closed and ruled up, on page 35.*)

[39] In ruling an account, draw the red line directly *upon* the blue line. In the double ruling, draw the lines as close as possible and not have them run together. Rule on the *same line* on both sides of the account, even if there be a larger number of entries upon one side than upon the other.

[40] The two entries just made have put the *Ledger* out of balance, and to restore the balance, entries for like amounts must be made on the opposite sides, as follows: [41] First transfer the Inventory below the ruling, on the Dr. side. Write, IN BLACK INK, *March 1, Inventory, 3401.88.* [42] Next, transfer the gain to the Cr. side of the Loss & Gain account. Write, IN BLACK INK, *Feb. 28, Mdse., 861.88* (enter in page column, the page of Merchandise account). [43] By these two entries we have not only placed the Ledger again in balance, but we have caused the Merchandise account to show as it should, on the debit side, the resource represented by the value of the goods unsold; and [44] have caused the Loss & Gain account to show, as it should, on the credit side, the gain produced by an account (Mdse.) which has been closed.

EXPENSE.

To close this account: [45] On the smaller side—which is the Cr.—enter the difference between the sides—that is the loss. Write, IN RED INK, *Feb. 28, Loss & Gain, 417.00* (enter page of Loss & Gain account). [46] Next, rule and foot the account, as previously instructed. [47] Next transfer the loss to the Dr. side of Loss & Gain account. Write, IN BLACK INK, *Feb. 28, Expense, 417.00* (enter page of Expense account).

LOSS & GAIN.

Having closed all of the accounts which show losses and gains, into the Loss & Gain account, you will now proceed to close this account. [48] On the smaller side—which is the Dr.—enter the difference between the sides, that is the net gain. Write, IN RED INK, *Feb. 28, Student* (the page), *444.88.* Next, rule and foot the account. [49] Next, transfer the net gain to the Cr. side of Student's (proprietor's) account. Write, IN BLACK INK, *Feb. 28, Net Gain* (the page), *444.88.*

STUDENT.

The Net Gain having been carried to it, this account now *contains* the present worth, and that it may be shown in a single amount, you will close the account. Proceed as follows: [60] On the smaller side—which is the Dr.—enter the difference between the sides, that is the present worth. Write, IN RED INK, *Feb. 28, Present Worth, 4344.88.* [61] Next, rule and foot the account. [62] Next, transfer the present worth to the opposite side (Cr. side) below the ruling. Write, IN BLACK INK, *March 1, Present Worth, 4344.88.*

This completes the work of closing the accounts which contained the losses and gains growing out of the preceding two month's business, and the net gain—the difference between the losses shown on the Dr. side and the gains shown on the Cr. side of the Loss & Gain account—has been entered in Student's (the proprietor's) account, causing it to show the present worth. [63] It is evident that the proprietor's account will continue to show its true relation to the business—that is, the present worth, or exact difference between the resources and liabilities—only until such time as a gain or loss has been produced in the course of trade: [64] because such gain or loss is not immediately entered in the proprietor's account, but is permitted to remain in the account producing it, until a general closing of the accounts showing gains and losses is made, such as has just been explained and illustrated.

Student.

18–						18–					
Nov.	10		1	140		Nov.	1		1	3000	
"	12		2	100 (240)		"	15		2	2500 (5500)	
"	30	Present Worth		536	87	"	30	Loss & Gain	4	103	87
				5603	87					5603	87
						Dec.	1	Present Worth		5363	87

Merchandise.

18–						18–					
Nov.	1			920		Nov.	2		1	860	
"	5		1	1180		"	17		2	692	50
"	19		2	1000 (3100)	63 (63)	"	24		3	930 (2422)	40 (90)
"	30	Loss & Gain	4	302	90	"	30	Inventory		920	
				3402	90					3402	90
Dec.	1	Inventory		920							

Expense.

18–						18–					
Nov.	8			150		Nov.	20		2	50	
"	15		2	38	40	"	30	Loss & Gain	4	198	40
"	24		3	60 (348)	40 (440)						
				248	40					248	40

Loss & Gain.

18–						18–					
Nov.	30	Expense	6	198	40	Nov.	30	Profit	4	302	27
"	30	Student's name	1	103	87						
				302	27					302	27

NOTE.—These accounts do not represent the work of the text-book, and are given only as a general illustration of how such accounts should be closed.

NOTE TO STUDENT.—Questions upon some of the principles involved in the preceding set are given below, and you should be prepared to answer them if called upon to do so. Before proceeding further, therefore, study carefully the answers to the following:

QUESTIONS FOR REVIEW.

Page 10.—[83] What is generally included under the title "Bills Payable"? [85] When are Bills Payable credited? [84] When debited? Page 9.—[75] What is generally included under the title "Bills Receivable"? [76] When are Bills Receivable debited? [77] When credited? Page 30.—[1-2] What does an inventory usually represent? [3] What may it represent? [4] How found usually, and at what price are the goods estimated? [5] In what other way may the quantity of goods on hand at any time be found? Page 31.—[6] What is the object of making a "Balance Sheet"? [7] What does it exhibit? [9] In what column are the inventories entered, and how are they entered? [10-11] How is the gain on Mdse. found? Page 32.—[12] How is the loss on Expense found? [17] How is the net gain found? [18] How is the Proprietor's net credit found? [19] How is the Proprietor's present worth found? [20-22] How can the present worth be proved? [23] When the losses exceed the gains, what is the difference called? [24] In such cases how is the present worth found? [25] When is the Proprietor said to be insolvent? Page 33.—[26-27] When it is desired to make the proprietor's account exhibit the present worth, what is it necessary to do? [28-30] Why is it not necessary to close all the accounts in the Ledger? Page 34.—[32-34] What is the first step to take in closing the accounts that show losses and gains? [36-42] How is the Mdse. account closed? [39] In ruling an account, how should the lines be drawn? [45-47] How is the Expense account closed? [48-49] How is the Loss and Gain account closed? [50-52] How is the Proprietor's account closed? What does this account then exhibit? [53-54] How long will it continue to exhibit the present worth, and why?

March 1, 18—

Paid Miller & Beach cash on acct			300	
2				
Sold Alex. Goodman on his note at 10 days, with interest, 50 bbls. Flour C			300	
3				
Paid Feb'y's bill in cash			6	
5				
Gave Bell Bros. & Day my note at 10 days, with interest, in full of acct.			462	50
6				
Paid my note of Feb 21, favor of Long & Martin, and interest in cash,			1052	25
Face of note,	1050			
Interest, 13 days,	2	25		

NOTE.—In copying into your Day Book the transactions for the month of March, as outlined by the following memoranda, be careful to have the general arrangement of the work correspond with the Day Book illustrations in the months of January and February, and the one shown on the preceding page.

MEMORANDA FOR MARCH.

1. Paid Miller & Beach, cash on account, 300.00.

2. Sold Alex. Goodman, on his note at ten days, with interest, 50 bbls. Flour, @ 6.00.

3. Paid February gas bill in cash, 6.00.

5. Gave Bell Bros. & Day my note at 10 days, with interest, in full of account, 462.50.

Ex. 23, p. 16. 6. Paid my note of Feb. 21, favor of Long & Martin, and interest, in cash; face of note, 1050.00; interest, 13 days, 2.28.

68, pa. 9. 61, pa. 8. 52 b. p. 7. " Bought of E. L. & E. B. King, 50 bbls. Beef, @ 12.00. Paid them cash on above, 200.00; balance on account.

" Sold R. H. Day, for cash, 5 ch. Japan Tea, 300 lbs., @ 60¢.

Ex. 19, p. 15. 8. Received of Sherman, French & Co., in full of account, as follows: Cash, 200.00; their note at 60 days, 400.00.

" Paid rent of store in cash, 50.00.

Ex. 24, p. 16. 9. Received cash of Freeman & Johnson, for their note of Feb. 19, and interest. Face of note, 560.00; interest, 18 days, 1.68.

10. Sold A. O. Steele, on account, 25 bbls. Pork, @ 10.50; 5 bbls. Lard, 1000 lbs., @ 10¢; 20 bbls. Flour, @ 6.00.

84, pa. 10. 61, pa. 8. 11. Paid my note of Feb. 26, favor of D. Hammond, in cash, 300.00.

12. Bought of Beach & Gould, on my note at 90 days, 100 bbls. Flour, @ 5.00.

60, pa. 8. 77, pa. 9. 13. Received cash of Jas. T. Wood, for his note of Feb. 23, 397.50.

" Sold Collins & Carpenter, 40 bbls. Salt, @ 1.50; 50 bbls. Pork, @ 10.50; 50 bbls. Beef, @ 14.00. Received cash on above, 785.00; their note at 30 days for balance.

15. Paid J. D. Morgan, cash on account, 200.00.

60, pa. 8. 77, pa. 9. 100, p. 11. " Received cash of Alex. Goodman, for his note of March 2, and interest. Face of note, 300.00; interest, 13 days, 65¢.

16. Bought of Leffingwell Mfg. Co., for cash, a safe for office use, 475.00. ✓

" Bought of Gardner & Gardner, 50 bbls. Beef, @ 12.00. Paid cash on above, 300.00; gave them my note at 60 days for balance.

17. Sold Sherman, French & Co., on account, 7 bbls. A Sugar, 1875 lbs., @ 7¢; 5 ch. Japan Tea, 300 lbs., @ 60¢.

84, pa. 10 61, pa. 8. 99, pa. 11. 18. Paid my note of 5th inst., favor of Bell Bros. & Day, and interest, in cash. Face of note, 462.50; interest, 13 days, 1.00.

19. Bought of Miller & Beach, on account, 25 bbls. Pork, @ 9.00; 10 bbls. Lard, 2000 lbs., @ 8½¢.

Ex. 26 p. 17. 21. Collins & Carpenter prepaid their note of 13th inst., in cash, less discount. Face of note, 500.00; discount off, 25 days, 2.08; cash received, 497.92.

" Sold James T. Wood, on account, 10 bbls. Pork, @ 10.50; 10 bbls. Beef, @ 14.00.

23. Received cash of A. O. Steele, on account, 150.00.

24. Paid in cash, Scrantom & Co.'s bill for books, stationery, etc., for office use, 15.75.

Ex. 25. p. 17. 25. Prepaid my note of 12th inst., favor of Beach & Gould, in cash, less discount. Face of note, 500.00; discount off, 80 days, 6.67; cash paid, 493.33.

26. Bought of J. D. Morgan, on account, 50 bbls. Flour, @ 5.00.

MEMORANDA FOR MARCH (continued).

60 pa. 8. 76 pa. 9. 69 pa. 9. 27. Sold Wm. N. Marsh, 25 bbls. Pork, @ 9.00; 25 bbls. Beef, @ 14.00. Received cash on above, 225.00; his note at 3 mos. with interest, for balance, 350.00.

28. Gave Miller & Beach my note at 2 mos., to apply on account, 300.00.

30. Paid clerks' salaries in cash, 125.00.

60 pa. 8. 99 p. 11. 77 pa. 9. 31. Sherman, French & Co. prepaid their note of 8th inst., in cash, less discount. Face of note, 400.00; discount off, 40 days, 2.67; cash received, 397.33.

" Received cash of Jas. T. Wood, on account, 100.00.

RESOURCE INVENTORIES, MARCH 31, 18—.

MERCHANDISE.

210 bbls.	Flour, @ 5.00,	1050.00		
90 "	Beef, @ 12.00,	1080.00		
40 "	Pork, @ 9.00,	360.00		
20 "	Lard, 4000 lbs., @ 8½¢,	340.00		2830.00

EXPENSE.

Office Safe, valued at		475.00

NOTE.—Having completed copying the Day Book for March, journalize the transactions, consulting the examples and rules to which references are made, as you may find it necessary. After you have journalized the entire month, and before commencing to post, hand your Journal to the teacher for approval.

POSTING MARCH.

The business of March being a continuation of that of January and February, it will be posted under the same ledger headings, opening such new accounts as may be required. Give each new account in this month ten lines space.

BALANCE SHEET.

After you have completed the posting for March, you may next make out a "Balance Sheet," for the purpose of ascertaining the present condition of the business. Full directions having been given for this work, in connection with the February balance sheet, it is not deemed necessary to give here more than a brief outline of the steps to be taken, as it is believed that the work can be done correctly and understandingly through their aid, in connection with the illustration of the form of balance sheet, given on page 33, and from the knowledge of the principles gained in making the balance sheet for February.

GUIDE FOR MAKING BALANCE SHEET FOR MARCH.

First take a trial balance of your Ledger, precisely as instructed for February; that is, foot the accounts in pencil, and carry the footings to the *first two* columns of your Balance Sheet. Do not extend any amounts to the other columns until you have thus entered on your Balance Sheet all of the ledger accounts, and footed these two columns, to ascertain whether your Ledger is in balance. The footings of the various accounts, as shown in the first two columns of your Balance Sheet, should be as follows: Student, Cr. 4344.88; Cash, Dr. 11560.08, Cr. 9222.86; Mdse., Dr. 5746.88, Cr. 3378.75; Expense, Dr. 671.75; J. D. Morgan, Dr. 300.00, Cr. 750.00; A. O. Steele, Dr. 732.50, Cr. 250.00; D. Hammond, Dr. 700.00, Cr. 1175.00; James T. Wood, Dr. 245.00, Cr. 100.00; Sherman, French & Co., Dr. 311.25; Miller & Beach, Dr. 800.00, Cr. 1195.00; Bills Payable, Dr. 2562.50, Cr. 3162.50; Bills Receivable, Dr. 3032.50, Cr. 2682.50; E. L. & E. B. King, Cr. 400.00; Interest, Dr. 3.28, Cr. 2.33; Discount, Dr. 4.75, Cr. 6.67.

If your trial balance proves—that is, if the first two columns foot alike—your next step will be to extend the Resources, Liabilities, Losses and Gains, as shown by the various accounts, as follows:

CASH.

Commence with Cash, it being the first account in your balance sheet following the Proprietor's (Student's) account. Find the difference between the Dr. and Cr. footings and extend it to the Resource column (*37, page 6*).

MERCHANDISE

First enter, in the Resource column, the Mdse. on hand—that is the Inventory as shown on page 38 (*37, page 6*). Make the entry in *red ink*. Next, to find the gain, add the Inventory, 2830.00, to the Cr. footing, 3378.75, and from this sum subtract the Dr. footing, 5746.88, and extend the difference, 461.87, to the Gain column (*36, page 6*).

EXPENSE.

First enter, in the Resource column, the Expense Inventory, 475.00, given on page 38. (*See 37, page 6.*) Enter the Inventory in *red ink*, to distinguish it from the resources shown by the ledger accounts. Next find the loss on Expense, by deducting the Expense Inventory, 475.00, from the Dr. footing of Expense account, 671.75, because the safe, when bought, was charged to Expense account, and is therefore included in the Dr. footing. Extend the difference, 196.75, to the Loss column (*35, page 6*).

J. D. MORGAN.

Find the difference between the Cr. and Dr. footing and extend it to the Liability column (*38, page 6*).

A. O. STEELE

Find the difference between the Dr. and Cr. footing and extend it to the Resource column (*37, page 6*).

D. HAMMOND, MILLER & BEACH AND E. L. & E. B. KING

Extend the difference between the Cr. and Dr. footings in each of the above accounts to the Liability column (*38, page 6*).

JAMES T. WOOD AND SHERMAN, FRENCH & CO.

Extend the difference between the Dr. and Cr. footings in each of the above accounts to the Resource column (*37, page 6*).

BILLS PAYABLE.

Find the difference between the Cr. and Dr. footings and extend it to the Liability column (*38, page 6*).

BILLS RECEIVABLE.

Find the difference between the Dr. and Cr. footings and extend it to the Resource column (*37, page 6*).

INTEREST.

From the Dr. footing, 3.28, the amount allowed to others, subtract the Cr. footing, 2.33, the amount allowed to us, and extend the difference, .95, to the Loss column (*35, page 6*).

DISCOUNT.

From the Cr. footing, 6.67, the amount allowed to us, subtract the Dr. footing, 4.75, the amount allowed by us, and extend the difference, 1.92, to the Gain column (*36, page 6*).

You may now foot the remaining columns of your Balance Sheet, viz: the Resource, Liability, Loss and Gain columns, after which make a summary of the results, as shown in the form of balance sheet for February, on page 33.

The footings of the columns should be as follows: Gain, 463.79; Loss, 197.70; Resource, 6930.97; Liability, 2320.00.

NOTE.—Having completed the balance sheet, you will now close the Ledger. As explained in the month of February (*29, page 33*), to cause the proprietor's account in the Ledger to show the present worth, it is only necessary to close the accounts showing losses and gains. The remaining accounts, those showing resources and liabilities, *may be closed*, however, and to give the pupil practice in the work of a general closing of the Ledger, all of the accounts will now be closed. As an aid in performing this work, a few accounts properly closed, are shown on pages 42 and 43, and explicit instructions for every step to be taken are given in the following

GUIDE FOR CLOSING THE LEDGER, MARCH 31, 18—.

Commence with the first account in your Ledger, following the Proprietor's (Student's) account, which is

CASH.

On the smaller side of this account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 2337.22.* Next, rule and foot the account. Next, transfer the balance below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Balance, 2337.22* (*see Cash account closed, on page* 42).

MERCHANDISE.

On the Cr. side of this account, enter, first, the inventory. Write, IN RED INK, *Mar. 31, Inventory, 2830.00.* Next, on the smaller side of the account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Loss & Gain, 461.87* (enter, in page column, the page of Loss & Gain account). Next, rule and foot the account, Next, transfer the inventory below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Inventory, 2830.00.* Next, transfer the gain to the Cr. side of the Loss & Gain account. (You have such an account already opened in your Ledger.) Write, IN BLACK INK, *Mar. 31, Mdse., 461.87.* Enter, in the page column, the page of Merchandise account.

EXPENSE.

On the Cr. side of this account, enter, first, the inventory. Write, IN RED INK, *Mar. 31, Inventory, 475.00.* Next, on the smaller side of the account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Loss & Gain* (page of Loss & Gain account), *196.75.* Next, rule and foot the account. Next, transfer the inventory below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Inventory, 475.00.* Next, transfer the loss to the Dr. side of the Loss & Gain account. Write, IN BLACK INK, *Mar. 31, Expense* (page of Expense account), *196.75.*

J. D. MORGAN

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 450.00.* Rule and foot the account. Next, transfer the balance below the ruling on the Cr. side. Write, IN BLACK INK, *Apr. 1, Balance, 450.00.*

A. O. STEELE.

On the smaller side of this account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 482.50.* Rule and foot the account. Transfer the balance below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Balance, 482.50.*

NOTE.—The accounts of D. Hammond, James T. Wood, Sherman, French & Co., and Miller & Beach, are to be closed in same manner as those of J. D. Morgan and A. O. Steele. The account of E. L. & E. B. King, having but one item, need not be closed.

BILLS PAYABLE.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 600.00.* Rule and foot the account. Transfer the balance below the ruling on the Cr. side. Write, IN BLACK INK, *Apr. 1, Balance, 600.00.*

BILLS RECEIVABLE.

On the smaller side of this account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 350.00.* Rule and foot the account, and transfer the balance below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Balance, 350.00.*

INTEREST.

On the smaller side of this account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Loss & Gain, .95.* Rule and foot the account and transfer the loss to the Dr. side of Loss & Gain account. Write, IN BLACK INK, *Mar. 31, Interest, .95.* Remember always to enter the page in the page column, when amounts are transferred to or from some other page in the Ledger.

DISCOUNT.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Loss & Gain, 1.92.* Rule and foot the account and transfer the gain to the Cr. side of the Loss & Gain account. Write, IN BLACK INK, *Mar. 31, Discount, 1.92.*

LOSS AND GAIN.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Student, 266.09.* Rule and foot the account, and transfer the net gain to the Cr. side of Student's account. Write, IN BLACK INK, *Mar. 31, Loss and Gain, 266.09.*

STUDENT.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Present Worth, 4610.97.* Rule and foot the account, and transfer the present worth below the ruling on the Cr. side. Write, IN BLACK INK, *Apr. 1, Present Worth, 4610.97.*

Your Ledger is now closed, and the purpose of such closing has been accomplished, viz: The Proprietor's account has been made to show his present worth, and the resources and liabilities representing such present worth are exhibited below the rulings of the various accounts to which they belong.

In closing the accounts, the equilibrium of the Ledger has not been disturbed, as, in every instance where an amount was entered in an account, either upon the debit or credit side of the Ledger, the *same amount* was immediately transferred to the *opposite* side of the Ledger, either in some other account or below the rulings of the same account, thus keeping the Ledger constantly in balance. A trial balance, to prove that your Ledger is now in balance, should be taken, and if correct will correspond with the following:

TRIAL BALANCE OF LEDGER BALANCES, APRIL 1, 18—.

RESOURCES (Dr. Balances)		LIABILITIES (Cr. Balances)	
Cash,	2337.22	J. D. Morgan,	450.00
Merchandise,	2830.00	D. Hammond,	475.00
Expense,	475.00	Miller & Beach,	395.00
A. O. Steele,	482.50	Bills Payable,	600.00
Jas. T. Wood,	145.00	E. L. & E. B. King,	400.00
Sherman, French & Co.,	311.25	Total Liabilities,	2320.00
Bills Receivable,	350.00	Student's Present Worth,	4610.97
Total Resources,	6930.97		6930.97

From the preceding explanations and operations we deduce the following general instructions for

CLOSING THE LEDGER.

[138] It is customary in business, once a year at least, to cause the Proprietor's account in the Ledger to show its true relation to the business; that is, the proprietor's present worth. [139] To do this, it is necessary to close *only* the accounts which show losses and gains; because in these accounts are entered all the transactions which make the proprietor worth more or less. The Net Gain or Net Loss found by closing these accounts is entered in the Proprietor's account, which will then show the true present worth.

[140] The remaining accounts, those showing resources and liabilities, need not be closed for this purpose, as they simply show *of what such present worth consists*, and closing them in no way affects the Proprietor's account. [141] They may be closed, however, to mark a period in the business, or for the purpose of causing each account to exhibit in a single amount, convenient for inspection, its exact net debit or exact net credit, as the case may be.

[142] Any account may be closed at any time, without reference to a general closing of the Ledger. As, for instance, if the footings become very large and unwieldy, the account may be closed and the balance carried forward; or, in the case of a personal account, if an adjustment is had and the correct balance determined, it is desirable to close the account and carry forward the balance agreed upon at that time; or, if the space assigned an account becomes filled, the account may be closed and the balance transferred to a new account.

[143] It is not customary in business, even at a general closing of the Ledger, to close all of the personal accounts. The Ledger of a large business house not infrequently contains personal accounts reaching into the thousands, and to close all of these would involve a great amount of unnecessary labor. Personal accounts, therefore, are, as a rule, allowed to remain open until closed by payment in the regular course of business.

Student.

188-						188-					
Jan	1		1	300		Jan	1		1	4000	
"	15		2	75		Mar	7		7	1000	
Feb	17		5	100		"	31	Loss & Gain	16	770	34
Mar	24		8	125							
	31	Pres. North		600 / 170	34						
				5770	34					5770	34
						Apr	1	Pres. North		5170	34

Cash.

188-						188-					
Mar	22		8	15175 / 292	77 / 50	Mar	21		8	11130 / 1200	49
	28		8	300	64	"	24		8	125	
	30		9	100 / 15571	91	"	29		9	75	
						"	31		9	3000 / 15530	49
							31	Balance	21	341	42
				15571	91					15871	91

Merchandise.

188-						188-					
Mar	18		7	9779 / 215	50	Mar	15		7	16995 / 8553	25 / 50
"	31	Loss & Gain	8	10798	62½	"	19		8	127	50
						"	22		8	292	50
						"	26		8	409	
										9377	62
							31	Inventory		1420	50
				10798	12					10798	12
Apr	1	Inventory		1420	50						

N. W. Stevens.

188-						188-					
Feb	20		5	350 / 225		Mar	1		6	775 / 235 / 1210	
"	26		5	200 / 775							
Mar	31	Balance		1210						1210	
						Apr	1	Balance		435	

NOTE.— These accounts do not represent the work of the text-book, and are given only as a general illustration of how such accounts should be closed.

James T. Hoag.

188-							188-						
Jan	20		2	350			Jan	12		1	350		
Feb.	7		4	56	25		Mar.	7		7	25		
Mar.	3		6	67	50			31	Balance		98	75	
				123	75								
				123	75						123	75	
Apr.	1	Balance		98	75								

Expense.

188-							188-						
Mar.	9		7	515	30		Mar.	31	[illegible] Tax		50		
"	29		7	4	75								
"	31		9	75					[illegible] Interest	13	32	01	
				25									
				620	05								
				625	05						626	05	
Apr.	1	Inventory		300									

Interest.

188-							188-						
Feb.	25		5		85		Feb.	17		5		30	
Mar.	26		8	1	07		Mar.	20		8	1	23	
				1	92								
	31	Loss & Gain	16		25			28		8		64	
											2	17	
				2	17						2	17	

Loss & Gain.

188-							188-						
Mar.	31	Expense	6	320	05		Mar.	31	Mdse.	4	803	62	
	31	Discount	13	3	48		"	31	Interest	12		25	
	31	Student		778	34		"	31	Real Est.	13	300		
											1103	87	
				1103	87						1103	87	

GENERAL RULES FOR CLOSING THE LEDGER.

[144] Open an account with *Loss and Gain*, at the top of the first blank page following the last account in your Ledger, if you have not already opened such an account.

[145] To economize time, and to avoid omissions, it is desirable to close the accounts in the order in which they stand in the Ledger, omitting the Proprietor's account until all the other accounts in the Ledger have been closed.

ACCOUNTS SHOWING LOSSES AND GAINS HAVING INVENTORIES CLOSED.

[146] If an account has a Resource Inventory, enter the amount of it on the *credit* side of the account, IN RED INK, using for explanation *Inventory*. [147] If an account has a Liability Inventory, enter the amount of it on the *debit* side of the account, in red ink, using for explanation *Inventory*. [148] Next enter, on the smaller side of the account, in red ink, the difference between the sides, using for explanation *Loss and Gain*. [149] Next rule up the account and enter the footings, carrying the Inventory below the rulings, on the opposite side of the account, in black ink. [150] Next transfer the loss and gain amount to the opposite side of Loss and Gain account, in black ink, using for explanation the title of the account you are closing, as *Expense* or *Merchandise*.

ACCOUNTS SHOWING LOSSES AND GAINS HAVING NO INVENTORIES CLOSED.

[151] Enter, on the smaller side, in red ink, *Loss and Gain* and the difference between the sides of the account. Rule up the account, enter the footings, and transfer the loss and gain amount to the opposite side of Loss and Gain account, in black ink, using for explanation the title of the account you are closing, as *Mdse.*, *Real Estate*, etc.

ACCOUNTS SHOWING RESOURCES AND LIABILITIES CLOSED

[152] Enter, on the smaller side of the account, in red ink, *Balance* and the difference between the sides. Rule and foot the account, and carry the difference below the rulings, on the opposite side, in black ink, using for explanation *Balance*.

[153] LOSS AND GAIN ACCOUNT CLOSED.

Enter on the smaller side of Loss and Gain account, in red ink, the proprietor's name and the difference between the sides, which difference will be the Net Gain or Net Loss. Rule and foot the account, and carry the difference to the opposite side of the proprietor's account, in black ink, using *Loss and Gain* for explanation. In case of a partnership, the difference should be divided according to the terms of the partnership contract, and each partner's name and share entered separately in the Loss and Gain account, and afterward transferred to the opposite side of his individual account.

[154] THE PROPRIETOR'S ACCOUNT CLOSED.

Enter on the smaller side, *Present Worth* and the difference between the sides, in red ink. Rule and foot the account, and bring the difference below the rulings on the credit side of the account, in black ink, using *Present Worth* for explanation. In case the debit side of the proprietor's account is greater, the difference will be entered as *Insolvency*. In case of a partnership, each partner's account should be closed as described above. This completes the closing of the Ledger.

QUESTIONS FOR REVIEW.

Page 41.—[138] How frequently is it customary in business to cause the Proprietor's account to show its true relation to the business? [139] To do this, what accounts is it necessary to close? [140] Why is it not necessary to close all the accounts at this time? [141] When may all the accounts be closed, and for what purpose? [142] May any account be closed at any time, and if so for what purpose? [143] Is it customary in business to close, at any time, all of the personal accounts in the Ledger? Page 42.—[144] What is the first step to take in closing a Ledger? [145] In what order should the accounts be closed? [146–150] Give the general rules for closing accounts showing losses and gains and having inventories. [151] For those showing losses and gains and having no inventories. [152] For those showing resources and liabilities. [153] For the Loss and Gain account. [154] For the Proprietor's account.

BUYING PRICE LISTS FOR APRIL, MAY, AND JUNE

	List No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Beans,	2.00 bu.	1.75	2.00	1.85	1.75	1.90	2.00	2.10	2.15	2.05
Barley,	.75 bu.	.80	.75	.85	.80	.85	.90	.85	.80	.75
Corn,	.50 bu.	.45	.40	.50	.45	.55	.50	.45	.40	.45
Clover Seed,	4.00 bu.	4.50	4.00	3.75	3.50	4.00	4.25	4.00	3.50	3.75
Flax,	1.50 bu.	1.25	1.75	1.50	1.25	1.50	1.25	1.75	1.50	1.25
Millet,	1.00 bu.	1.10	1.00	1.05	1.15	1.10	1.00	.95	.90	1.00
Oats,	.35 bu.	.32	.35	.33	.31	.36	.35	.33	.31	.32
Peas,	2.10 bu.	2.20	2.15	2.10	2.00	2.05	2.15	2.10	2.20	2.00
Rye,	.60 bu.	.55	.60	.65	.50	.55	.60	.55	.50	.55
Wheat,	1.05 bu.	1.10	1.00	1.05	.95	1.00	1.05	.95	1.00	.95

SELLING PRICE LISTS FOR APRIL, MAY, AND JUNE.

	List No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Beans,	2.10 bu.	1.85	2.05	1.95	1.80	2.00	2.05	2.15	2.20	2.10
Barley,	.85 bu.	.90	.80	.90	.85	.95	.95	.90	.85	.80
Corn,	.60 bu.	.55	.50	.60	.55	.60	.55	.50	.45	.55
Clover Seed,	4.50 bu.	4.75	4.25	4.10	3.80	4.15	4.10	4.20	3.60	3.85
Flax,	2.00 bu.	1.65	2.00	1.75	1.50	1.65	1.50	1.90	1.75	1.50
Millet,	1.25 bu.	1.30	1.25	1.30	1.40	1.35	1.20	1.15	1.10	1.15
Oats,	.40 bu.	.36	.38	.36	.37	.40	.38	.37	.38	.35
Peas,	2.35 bu.	2.40	2.30	2.25	2.20	2.25	2.30	2.35	2.40	2.25
Rye,	.75 bu.	.65	.70	.75	.62	.65	.70	.65	.60	.65
Wheat,	1.15 bu.	1.20	1.10	1.15	1.05	1.10	1.15	1.05	1.10	1.05

NOTE.—After having been assigned by the teacher the number of price list to be used in the following set, the pupil is advised to copy it on a separate sheet of paper, as illustrated below. This will put the list in a form convenient for use, and render mistakes less liable to occur in making the extensions.

Buying Price.	*List No. 1.*	*Selling Price.*
2.00	Beans,	2.10
.75	Barley,	.85
.50	Corn,	.60
4.00	Clover Seed,	4.50
1.50	Flax,	2.00
1.00	Millet,	1.25
.35	Oats,	.40
2.10	Peas,	2.35
.60	Rye,	.75
1.05	Wheat,	1.15

April 1, 18—

Student commenced business this day and invested $5000. cash					
Cash	Investment as above	5000			
To Student				5000	
	2				
Mdse	Bot for cash	220			
To Cash	100 bu Wheat 1.15 115.			220	
	50 " Beans 2.10 105				
	3				
Cash	Sold for cash	108	50		
To Mdse.	50 bu Wheat 1.25 62.50			108	50
	20 " Beans 2.30 46.				
	4				
Mdse	Bot on acct	410			
To B D. Lord	100 bu Millet 1.15 115			410	
	100 " Corn .55 55				
	100 " Flax 1.60 160.				
	200 " Oats .40 80				
	5				
Ogden & Boyce	Sold on acct	193	50		
To Mdse	50 bu Millet 1.25 62.50			193	50
	20 " Beans 2.30 46				
	50 " Flax 1.70 85				
	6				
Expense	Miller & Co bill for	35			
To Cash	office books, &c			35	
	8				
Mdse	Note at 15 days favor	212	50		
To Bills Pay	Smith & Pond for			212	50
	50 bu Clover Seed 4.25				

NOTE.—The Day Book and Journal will hereafter be combined, the history of the transaction being written in connection with the journal entry. In the form shown above, both debits and credits are entered at the left side of the page, the right side being reserved for the explanations, The explanations are to be written about one-third smaller than the journal entries.

MEMORANDA OF TRANSACTIONS FOR APRIL.

1. ———— (Student) commenced business this day, and invested cash, 5000.00.
2. Bought of C. W. Bond, for cash, 100 bu. Wheat; 50 bu. Beans.
" Deposited in College National Bank cash 4000.00 (*memorandum; no Journal entry required*).

NOTE.—An account with the Bank is sometimes kept in the Ledger, debiting it for all deposits and crediting it for all sums drawn out. This plan is not now generally observed in business, but all transactions with the bank are treated as cash transactions. When, therefore, money is deposited in the bank, no entry is required crediting cash, the cash so deposited being considered practically as on hand, because it is not paid out, in the sense of being disposed of, as the bank simply becomes the custodian of it in place of our safe or drawer. When, however, checks are drawn by us on the bank ordering payment to be made of the cash so deposited, to other parties, then entries must be made crediting cash, because the amount in bank (that is, our cash) is reduced to just the extent of the checks so drawn.

3. Sold Clarkson & Co., for cash, 50 bu. Wheat, 20 bu. Beans.
4. Bought of B. D. Lord, on account, 100 bu. Millet, 100 bu. Corn, 100 bu. Flax, 200 bu. Oats.
5. Sold Ogden & Boyce, on account, 50 bu. Millet, 20 bu. Beans, 50 bu. Flax.
6. Paid Miller & Co.'s bill for office books and stationery, in cash, 35.00.
8. Bought of Smith & Pond, on my note at 15 days, payable at College National Bank, 50 bu. Clover Seed.
9. Paid B. D. Lord, to apply on account, by check on College National Bank 100.00 (*credit Cash*). (A form of bank check filled out, is given below.)
10. Sold Geo. D. Carter, for cash, 10 bu. Clover Seed, 50 bu. Oats.
" Paid cash for two tons of coal for office use, 9.50.
12. Sold Nathan McDonald, on his note at 15 days, 20 bu. Clover Seed, 50 bu. Oats, 25 bu. Millet.
15. Bought of Brewster & Co. on account, 200 bu. Rye, 100 bu. Barley, 100 bu. Peas, 200 bu. Wheat.
16. Received cash of Ogden & Boyce, to apply on account, 100.00.
" Paid Briggs & Son's bill for office safe by check on College National Bank, 300.00.
18. Bought of W. E. Ross, on my note at 30 days, with interest, payable at College National Bank, 100 bu. Beans, 200 bu. Corn, 100 bu. Clover Seed.
" Deposited cash in College National Bank, 500.00. (*See note above.*)
19. Paid B. D. Lord on account, by check on College National Bank, 150.00.
20. Sold E. W. & B. W. McMaster, on their note at 20 days, with interest, 50 bu. Peas, 50 bu. Clover Seed, 100 bu. Rye.
22. Received cash of Ogden & Boyce on account, 50.00.
23. Sold Benj. D. Collins, on account, 50 bu. Barley, 20 bu. Flax, 25 bu. Millet, 100 bu. Wheat.
25. ———— (Student) drew cash from the business for his private use, 100.00.

No. 934. CINCINNATI, O., Sept. 24, 1884.

FOURTH NATIONAL BANK,
OF CINCINNATI.

PAY TO James N. Williams, OR ORDER,
Seventeen Hundred Nine DOLLARS,
$ 1709. John Huntington

MEMORANDA OF TRANSACTIONS FOR APRIL (Continued)

26. My note of the 8th inst. favor of Smith & Pond, due to-day, has been paid and charged to my account at College National Bank (credit Cash).

NOTE.—A note or other commercial paper made by a depositor, and drawn payable at the bank with which he keeps an account, is paid by the bank and charged to his account, on presentation at maturity, the same as if it were a check, providing, of course, the depositor has sufficient funds in the bank to meet it.

27. Paid Brewster & Co. on account, by check on College National Bank, 200.00.

" Sold Ogden & Boyce, on account, 100 bu. Oats, 50 bu. Barley, 25 bu. Rye, 100 bu. Corn.

29. Received cash of Benj. D. Collins, in full for the invoice of Merchandise sold him the 23d inst.

30. Paid clerks' salaries for the month in cash, 75.00.

" Received cash of Nathan McDonald, for his note of 12th inst. due to-day.

" Deposited cash in College National Bank, 300.00.

NOTE TO THE STUDENT.—Having completed the work of entering the foregoing transactions into your Journal, test the correctness of your extensions of Merchandise bought and sold, in the following manner: On a slip of paper, place in one column all Merchandise bought, and in another column all Merchandise sold for the entire month. Foot these columns and compare the footings thus obtained, with the figures given under the number corresponding with the list which you used, and if your work is correct they will agree. The *upper* amount is the total of Merchandise bought; the *lower* amount the total sold for the entire month.

MERCHANDISE BOUGHT AND SOLD.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
2090.00	2111.50	2075.00	2051.00	1895.50	2082 00	2122.50	2076.00	1975.50	1964.00
1317.75	1297.75	1260.50	1259.25	1180.00	1256.25	1260.00	1240.25	1171.50	1168.25

If your footings of merchandise bought and sold agree with those given above, you will next proceed to post. Give Cash a whole page, Merchandise 30 lines, and Bills Receivable and Bills Payable each 15 lines space. Give every other account 10 lines space. After the posting has been completed, take a trial balance to prove that the Ledger is in balance, preparatory to continuing the work of the month of May. Should your trial balance indicate that your Ledger is not in balance, the following directions are to be observed in locating the error. Apply the tests in the order in which they are given.

ERRORS IN TRIAL BALANCES.

[1] No rule or set of rules can be given for the *certain* detection of errors in trial balances, save, perhaps, a careful review of the entire work. If only one error has been made, however, the following five short tests will frequently disclose it, and they should be first applied, as involving much less labor than going over the entire work.

First.—[2]An error may have been made in carrying the footings of the accounts from the Ledger to the trial balance, or [3]an account may have been omitted entirely from the trial balance.

[4]Compare the footings of each account in the Ledger, which does not balance, with the figures carried to the trial balance. Be sure not only that the correct amount has been transferred, but that it has been placed in the *proper column* of the trial balance.

Second.—[5]An error may have been made either in footing the Ledger accounts or the columns of the trial balance. [6]If the error be exactly $1, $10, $100, $1000, etc., it is more than probable that it lies in the additions. [7]Go over the additions very carefully in both places, footing the columns first up and then down to prove the work.

Third.—[8]If an item has been omitted in posting, the trial balance will be exactly that amount out of balance. [9]Look through the Journal or other books from which you have posted, and see if you can find an item of the same amount as the error that has been omitted in posting.

Fourth.—[10]If an item has been posted to the wrong side of the Ledger, the trial balance will be just twice that amount out of balance; [11]therefore look through the Journal or other books from which you have posted, for an item of one-half the amount of the error.

Fifth.—[12]If the error be divisible by 9, it is quite likely to have been caused by a transposition of figures; as, $42 posted $24 would make an error of $18, which is divisible by 9; again, $345 posted $453 would make an error of $108, which is divisible by 9, etc.

The application of this principle may be applied by a long and somewhat complicated process, in determining what figures have been transposed. [13]As a practical test, however, it is chiefly valuable as a *caution*, in checking over the work, to look for a transposition of figures.

[14]Should the foregoing short tests fail to disclose the error, it will be necessary to review the work, [15]from the date of the last trial balance, in the following manner: [16]Examine carefully each journal entry, to be certain that the debits and credits are equal, and [17]then see that these debits and credits have been transferred correctly to the Ledger, [18]placing a check mark in pencil, thus $\surd$, in the Ledger against each item examined and found to be correctly posted. [19]If, after thus checking the work, you find an amount not checked, you may conclude that the item has been posted twice. [20]*Merely examining the posting without checking will not answer the purpose: every item must be checked to locate the error.*

Remark.—In case it becomes necessary to review and check the posting, and an error is found by this process, but which is not the amount required to make the trial balance prove, correct the error thus discovered; then find the exact amount still required to make the Ledger balance, and apply the short tests again before going on with the examination of the posting. Continue in this way until the trial balance proves.

CORRECTION OF ERRORS.

The manner of correcting an error depends upon the nature of it, and upon the book in which it appears. As a rule errors should be corrected by counter (reverse) entries; this should always be done if the error appears in a book of original entry.

In case of an error consult the teacher for instructions regarding its correction.

MEMORANDA OF TRANSACTIONS FOR MAY.

1. Bought of Oliver & Kennard, 150 bu. Beans, 100 bu. Peas. Paid them on above, by check, 200.00; balance on account. (*Credit Cash for the amount of the check.*)
2. Received of Ogden & Boyce, their note at 15 days in full of account.
3. Paid rent of store for month of April, in cash, 50.00.
4. Sold J. B. Eddyfield, 100 bu. Peas, 25 bu. Clover Seed, 50 bu. Beans. Received cash, 100.00, and his note at 30 days, with interest, for balance.
6. Paid B. D. Lord in full of account, by check.
7. Bought of J. T. & A. H. Gorsline, on my note at 60 days, payable at College National Bank, 100 bu. Clover Seed.
" Sold Benj. D. Collins, on account, 50 bu. Rye, 25 bu. Clover Seed, 50 bu. Wheat.
8. Paid April gas bill, in cash, 4.25.
10. Paid Oliver & Kennard, on account, by check, 100.00.
" Sold Hopkins & Son, on their note at 45 days, 150 bu. Beans, 50 bu. Peas.
12. Gave Brewster & Co. my note at 30 days, with interest, payable at College National Bank, to apply on account, 300.00.
13. Bought of B. D. Lord, on account, 100 bu. Barley, 500 bu. Oats, 300 bu. Wheat.
" Received cash of E. W. & B. W. McMaster, in full for their note of April 20th, and 23 days' interest. (*Remember to compute interest and discount at 6%, on a 360-day basis.*)
15. Benj. D. Collins has returned for credit, by special agreement, 50 bu. Rye sold him 7th inst., at the price he paid, less 2¢ per bu.
" Deposited cash in College National Bank, 300.00.
16. Sold A. D. Larkin & Bro., 200 bu. Wheat, 100 bu. Corn, 300 bu. Oats. Received cash, 100.00; balance on account.
17. Paid Oliver & Kennard, on account, by check, 100.00.
18. Bought of Brewster & Co., on account, 200 bu. Millett, 100 bu. Flax.
19. Gave B. D. Lord my note at 10 days, with interest, payable at College National Bank, in full of invoice 13th inst.
" Sold Morgan, Jessup & Morgan, 100 bu. Wheat, 75 bu. Millet, 60 bu. Flax. Received cash, 150.00; balance on account.
20. Received cash of Ogden & Boyce, in full for their note of 2nd inst., due to-day.

MEMORANDA OF TRANSACTIONS FOR MAY (Continued).

20. Bought of Jerome Osgood, on my note at 20 days, with interest, payable at College National Bank, 175 bu. Beans, 200 bu. Peas, 75 bu. Clover Seed.
21. My note of April 18, favor of W. E. Ross, and 33 days' interest, due to-day, has been paid and charged to my account at College National Bank.
23. Sold Gordon & Fisher, on their note at 15 days, with interest, 75 bu. Peas, 15 bu. Clover Seed, 55 bu. Beans.
25. Prepaid my note of 7th inst., favor of J. T. & A. H. Gorsline, by check, less discount to maturity, 45 days.
26. Sold Jas. H. Cone, for cash, 18 bu. Peas, 65 bu. Barley, 35 bu. Millet.
27. Paid rent of store for May, in cash, 50.00.
28. Hopkins & Son prepaid their note of 10th inst., in cash, less discount to maturity, 30 days.
" Deposited cash in College National Bank, 600.00.
29. Received cash of Morgan, Jessup & Morgan, on account, 100.00.
30. Sold Ogden & Boyce, on account, 70 bu. Flax, 50 bu. Wheat, 200 bu. Oats, 35 bu. Barley, 100 bu. Corn.
31. Paid clerks' salaries in cash, 75.00.

INVENTORIES, MAY 31, 18—.

MERCHANDISE (at cost), 180 bu. Beans, 180 bu. Clover Seed, 50 bu. Wheat, 90 bu. Millet, 107 bu. Peas, 75 bu. Rye.

EXPENSE, Office safe, at cost.

After entering the foregoing transactions in your Journal, you will then post, giving each new account to be opened ten lines space.

The cash on hand (in safe and in bank) as shown by your cash account, should agree with the result given below, under the price list number corresponding to your own.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
4166 39	4061.28	4105.07	4167.65	4178.34	4086.07	4065.04	4090.00	4185.41	4114 15

After the posting has been completed make out a Balance Sheet. Your net gain, or net loss, should agree with the result given below, under the price list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 8.*	*No. 9.*	*No. 10.*	NET LOSS	*No. 7.*
	187.34	93.18	26.87	56.10	51.34	23.67	10.20	.81	13.15		13.16

Next proceed to close the accounts showing losses and gains, for the purpose of causing the proprietor's account in the Ledger to exhibit his present worth.

The pupil should have no difficulty in performing this work correctly and understandingly by the aid of the following general directions, together with the practice and information previously obtained in connection with closing the accounts at the end of the months of February and March.

GENERAL DIRECTIONS FOR CLOSING ACCOUNTS SHOWING LOSSES AND GAINS.

1st.— Open an account in the Ledger with Loss and Gain.

2nd.— Close Merchandise account, by entering first, the Inventory, and then closing the account into the Loss and Gain account. Remember the instructions regarding red and black ink entries; also observe carefully the ruling, as shown in the accounts closed on pages 42 and 43.

3rd.— Close Expense account. First, enter the inventory belonging to this account, and then close the account into Loss and Gain.

4th.— Close the Interest account. 5th.— Close the Discount account. 6th.— Close the Loss and Gain account. 7th.— Close the Proprietor's account.

NOTE.—The debit and credit sides of your Ledger remain equal after closing the above mentioned accounts, the same as if all the accounts had been closed, since the amount entered to close an account was immediately transferred, either to the opposite side of the account closed, or of some other account. The accounts which remain unclosed show *only* Resources and Liabilities, the difference between which is the Present Worth, as exhibited by the proprietor's account.

MEMORANDA OF TRANSACTIONS FOR JUNE.

1. My note of May 19, favor of B. D. Lord, and 13 days' interest, due to-day, has been paid and charged to my account at College National Bank.
2. Bought of E. G. Steele, 200 bu. Wheat, 400 bu. Corn. Paid him cash, 150.00, and gave him my note at 15 days, with interest, payable at College National Bank, for balance.
3. Paid Brewster & Co., on account, by check, 125.00.
4. Sold Morgan, Jessup & Morgan, on account, 25 bu. Clover Seed, 50 bu. Peas, 75 bu. Beans.
6. Received cash of J. B. Eddyfield, in full for his note of May 4, and 33 days' interest.
7. Received cash of Benj. D. Collins in full of account.
" Deposited cash in College National Bank, 400.00.
8. Sold Bigelow & French on their note at 60 days, 100 bu. Beans, 200 bu. Corn.
9. Paid rent of store for month of June, in cash, 50.00.
10. Received cash of Gordon & Fisher in full for their note of May 23, and 18 days' interest.
11. Bought of Oliver & Kennard on account, 500 bu. Barley, 1000 bu. Oats.
12. My note of May 20, favor of Jerome Osgood, and 23 days' interest, due to-day, has been paid and charged to my account at College National Bank.
" Sold G. E. Folsom, on account, 500 bu. Oats, 50 bu. Millet.
13. Paid Oliver & Kennard, cash in full of account to June 1.
14. My note of May 12, favor of Brewster & Co., and 33 days' interest, due to-day, has been paid and charged to my account at College National Bank.
16. Bought of Wm. Ellenwood & Son, on my note at 90 days, payable at College National Bank, 100 bu. Clover Seed.
" ———— (Student) drew cash for private use, 50.00.
17. Received cash of Morgan, Jessup & Morgan, on account, 200.00.
" Deposited cash in College National Bank, 500.00.
18. Bigelow & French prepaid their note of 8th inst., in cash, less 53 days' discount.
19. Paid Brewster & Co., cash on account, 100.00.
20. My note of 2d inst., favor of E. G. Steele, and 18 days' interest, due to-day, has been paid and charged to my account at College National Bank.
22. Sold A. G. Briggs, for cash, 75 bu. Oats, 20 bu. Peas, 15 bu. Clover Seed.
23. Received cash of A. D. Larkin & Bro. on account, 150.00.
24. Bought of O. D. Weldon, on my note at 30 days, payable at College National Bank, 200 bu. Rye, 100 bu. Peas.
25. Received of Ogden & Boyce, their note at 60 days to apply on account, 200.00.
" Paid Oliver & Kennard, on account, by check, 350.00.
28. Paid gas bill in cash, 3.75.
29. Prepaid my note of 16th inst., favor of Wm. Ellenwood & Son, by check, less 80 days' discount.
" Sold Milton M. Green, on his note at 30 days, 40 bu. Millet, 275 bu. Rye, 200 bu. Corn.
30. Paid clerks' salaries in cash, 75.00.
" Have this day sold out the Grain business for the purpose of engaging in the Wholesale Tea and Coffee trade on July 1. (*Memorandum only.*)

INVENTORIES, JUNE 30, 18—.

MERCHANDISE (at cost). 5 bu. Beans, 500 bu. Barley, 240 bu. Clover Seed, 425 bu. Oats, 137 bu. Peas, 250 bu. Wheat.

EXPENSE. Office safe, at cost.

After you have entered the above in your Journal, you will post and make out a Balance Sheet, showing the exact condition of the business. Your Net Gain or Net Loss should agree with the result given below, under the price list number corresponding with your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*
	56.43	19.84	5.68	17.94	16.32

NET LOSS.	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	.60	22.83	8.11	16.24	2.69

Present your Balance Sheet to the teacher for approval, after which close all the accounts in the Ledger, full directions for which will be found on page 44. *After completing the work of closing the Ledger, hand your books to the teacher, and prepare for an examination on the work passed over.*

QUESTIONS FOR REVIEW.

Page 5.—[1] What is Book-keeping? [2] The object of it? [3-4] How many methods, and what are they? [5] What are the principal books used? [6] Describe the Day Book. [7] When should the record be made in the Day Book? [8] Why? [9] Describe the Journal. [10] What is journalizing? [11] In how many forms may journal entries appear, and what are they? [12] What must be the condition of the debits and credits in every journal entry? [13-14] How may the Day Book and Journal be combined? [15-16] Describe the Ledger. [17] What is an account? [18-19] How many sides has an account, and what called? [20] What is posting? [21] How may the terms Debit or Debtor, and Credit or Creditor, by abbreviated? What other books than Day Book, Journal, and Ledger are employed in double entry book-keeping? When employed, how do they affect the scope of the Day Book and Journal? [22] How are the books employed in double entry classified? [23] What is a Principal book? [24] An Auxiliary book? [25] How many kinds of accounts in double entry? Page 6.—[26-31] Give the general rules for journalizing. [33-34] Into what two general classes are the three kinds of accounts divided? [35] When does an account exhibit a Loss? [36] When a Gain? [37] When a Resource [38] When a Liability? [39] Upon which side is the excess when an account shows a Resource? [39] When it shows a Loss? [40] When it shows a Gain? [40] When it shows a Liability? [43-44] Give the rule for journalizing the Proprietor's account. [42] What title is sometimes used in place of the proprietor's name? Page 8.—[60 61] Give the rule for Cash. [58-59] What is included, usually, under this title? [64] When there is any difference in this account, which side will always be greater? [65] Why? [62-63] What is the difference, and what does it show? Page 9.—[66-69] Give the rule for Mdse. [66] What is usually included under this title? [67] What exception to including all goods under the general heading Mdse.? [76-77] Give the rule for Bills Receivable. [75] What is usually included under this title? [80] Which side of the account will always be the greater, when there is any difference, and why? [78-79] What is the difference, and what does it show? [82] When will the account balance? [81] Why? Page 10.—[81-85] Give the rule for Bills Payable. [83] What is included under this title? [88 89] Which side of the account will always be greater, when there is any difference, and why? [86-87] What is the difference, and what does it show? [90-91] When will the account balance, and why? Page 11.—[91-95] Give the rule for Expense. [92] What is usually included under this title? [93] What exceptions to including all such items under this title? [99-100] Give the rule for Interest and Discount. [97] What is Interest? [98] What is Discount? [103] To what other accounts will the rule for Interest and Discount apply? Page 24.—[104] From what does double entry book-keeping take its name? Page 26.—[105] What is a Trial Balance? [106-108] Why does the trial balance not prove the work absolutely correct? [111-113] Explain footing the accounts for taking a trial balance. Page 27.—[117] When may an account be omitted from the trial balance? [118] In ruling, what kind of ink is to be used? Page 30.—[1] What does an Inventory generally represent? [2] What may it represent? [3] What will an inventory show in each case? [4] How is an inventory usually taken? [4] What price is generally placed upon the goods? [5] In what other way may an inventory be found? Page 31.—[6] For what purpose is a Balance Sheet made? [7] Describe the balance sheet. [8] Into which column is the difference between the Dr. and Cr. footings of Cash extended? Why? [9] Why is the Mdse. inventory entered in the Resource column? [10-11] Explain both methods of finding the gain on Mdse. account, when there is an inventory. Page 32.—[13] When the Cr. side of a person's account is larger than the Dr., to which column is the difference extended? Why? [14] When the Dr. footing is the larger? [15] What does the difference in the Bills Payable account show? Why? [16] In the Bills Receivable account? Why? [17] What is the difference between the total gains and total losses called? [21-22] Give the two ways of finding the Present Worth of the proprietor. [25] When the liabilities exceed the resources, what is the difference called? Page 41.—[138] How often, usually, and for what purpose, are the accounts showing losses and gains closed in the Ledger? [141] When, and for what purpose, are *all* of the accounts in the Ledger closed? Page 44.—[144] What new account is to be opened? [145] In what order are the accounts to be closed? [146 and 148-150] Explain closing accounts having resource inventories. [147 and 149-150] Having liability inventories? [151] Accounts showing gains and losses having no inventories. [152] Accounts showing resources and liabilities. [153] How is the Loss and Gain account to be closed? How in case of a partnership? [154] How is the Proprietor's account to be closed? Pages 48–49.—[6] What is the character of the error, generally, when it is an even $1, $10, $100, $1000, etc.? [2] How could an error be made in transferring from the Ledger to the trial balance? [7] If an amount has been omitted in posting, what effect will it have upon the trial balance? [10] What if posted to the wrong side of the Ledger? [12] How may the error have been caused, if it is divisible by 9? [16-19] Explain the steps to be taken in reviewing the work, when this course is found necessary in order to detect the error. [20] In examining the posting, why is it necessary to place a check mark in the Ledger?

DRAFTS.

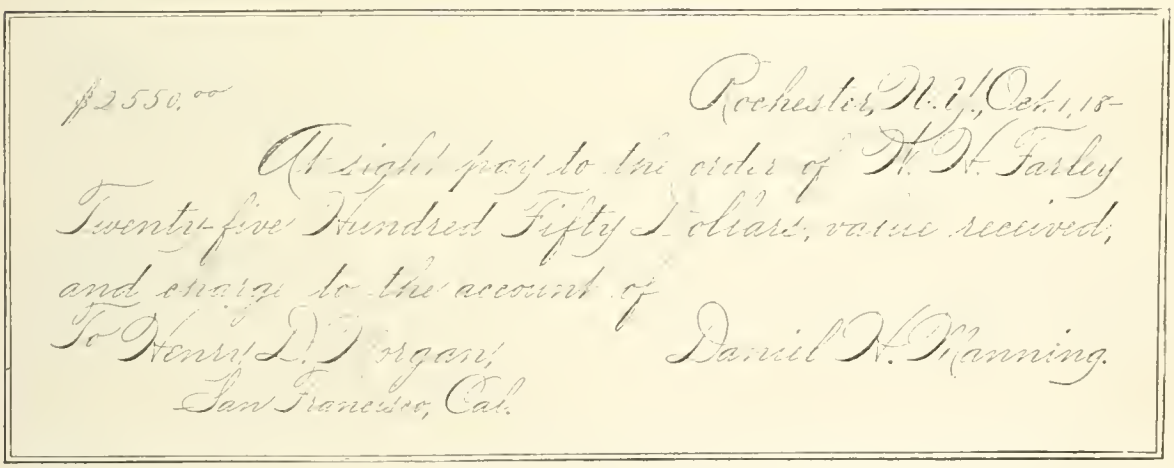
[1] A **Draft** is the written order of one party upon a second, requesting the payment of a sum of money to a third. [2] The primary object of the draft is to obviate the risk, inconvenience, and expense incident to transmitting money from place to place. To illustrate:

EXAMPLE No. 1.

Daniel H. Manning, of Rochester, N. Y., owes $2550 to W. H. Farley, of San Francisco, Cal., and Henry D. Morgan, of San Francisco, Cal., owes $2550 to Daniel H. Manning, of Rochester, N. Y. Now it will be readily seen that the payment of $2550 by Morgan to Farley, at the request of Manning, would cancel the indebtedness of both parties, and save Morgan the risk and expense of sending that amount of money from San Francisco to Rochester, to pay his debt to Manning, and likewise save Manning the risk and expense of sending the same amount from Rochester to San Francisco, to pay his debt to Farley.

To effect such a settlement of the indebtedness above described, a draft is employed as follows:

FORM OF DRAFT.


$2550.00
Rochester, N.Y., Oct. 1, 18-
At sight pay to the order of W. H. Farley
Twenty-five Hundred Fifty Dollars, value received,
and charge to the account of
To Henry D. Morgan,
San Francisco, Cal.
Daniel H. Manning.

After Manning has drawn the draft in the form shown above, he sends it by mail to Farley, who, upon its receipt, presents it to Morgan for payment; if paid, the indebtedness of both Morgan and Manning will have been as fully discharged as if the *money* had been actually sent from San Francisco to Rochester by Morgan, to pay Manning, and then back again from Rochester to San Francisco by Manning, to pay Farley.

From the foregoing explanations it will be seen that the primary object of the draft is the settlement of indebtedness between persons residing in different places, without the actual transmission of money, and although drafts may be drawn in a variety of forms and used in various ways, yet the principal use of the instrument remains the same, viz.: the payment of debts without the risk, inconvenience, and expense of sending money. Safety in the payment of the money to the proper person is assured by having the draft made payable to Farley's order, so that even if it were lost or stolen before being received by Farley, it would be of no value to the illegal holder, as it would not be paid without Farley's endorsement.

THE PARTIES TO A DRAFT.

[3] The parties to a draft are Drawer, Drawee, and Payee. [4] The party drawing the draft is the Drawer. [5] The party upon whom the draft is drawn is the Drawee. [6] The party in whose favor the draft is drawn is the Payee.

In the foregoing draft Daniel H. Manning is the *Drawer*, Henry D. Morgan is the *Drawee*, and W. H. Farley is the *Payee*.

The entries which the parties will make in their books of account, in connection with the settlement of their indebtedness by means of the foregoing draft, are given below.

ENTRIES OF THE DRAWER, DRAWEE, AND PAYEE IN THE FOREGOING DRAFT.

(*a*) Manning's entry when he draws the draft and remits it to Farley on account.

W. H. Farley,	2550.00	
To Henry D. Morgan,		2550.00

MANNING *debits* FARLEY *because he gets out of* FARLEY'S *debt, and he credits* MORGAN *because* MORGAN *gets out of his debt.*

(*b*) Morgan's entry when the draft is presented and he pays it in cash.

Daniel H. Manning,	2550.00	
To Cash,		2550.00

MORGAN *debits* MANNING *because he gets out of* MANNING'S *debt, and he credits* CASH *because it is paid out.*

(*c*) Farley's entry when he presents the draft for payment and receives cash.

Cash,	2550.00	
To Daniel H. Manning,		2550.00

FARLEY *debits* CASH *because he receives it, and he credits* MANNING *because* MANNING *gets out of his debt.*

The pupil will now write the foregoing draft, on foolscap paper, observing carefully the model form for wording and arrangement. Next study and be prepared to answer the following

QUESTIONS.

What are the parties to a draft called? Who is the Drawer of the foregoing draft? Who the Drawee? Who the Payee? What gives Manning the right to draw the draft on Morgan? Why does Manning send the draft to Farley? Which two of the parties to a draft usually reside in the same place? When this draft has been paid, what has been accomplished by its use?

EXAMPLE No. 2.

W. G. Harding, of Baltimore, Md., owes Arthur Hamilton, of Buffalo, N. Y., $500, and Frank F. Wood, of Buffalo, N. Y., owes W. G. Harding a like amount. The indebtedness of the two parties is settled by a sight draft.

The pupil will write the draft called for in the above memorandum, in proper form, at the top of a sheet of foolscap paper, and below the draft write answers to the following

QUESTIONS.

Who is the Drawee of the above mentioned draft? Who the Payee? Who the Drawer? Why should Wood honor (that is pay) the draft drawn on him by Harding? Give the Drawer's entry and the reason for it. The Drawee's entry and the reason. The Payee's entry and the reason. State the relations of the parties as debtors and creditors before the draft was drawn. How were these relations affected by the payment of the draft?

HOW DRAFTS ARE DRAWN WITH REFERENCE TO TIME.

[7] Drafts may be drawn with reference to time in three ways, viz.: [8] At sight (as in the preceding examples), [9] a specified number of days after sight (that is, after acceptance), or [10] a specified number of days after date. The first are called [11] "Sight Drafts"; the other two are called [12] "Time Drafts."

[13] Sight Drafts are payable as soon as seen, and [14] are presented, therefore, for payment. [15] A check on a bank embodies the essential features of a sight draft.

[16] Time drafts are payable at a future time, and [17] are presented for acceptance. [18] "Acceptance," when applied to drafts, signifies the written acknowledgment of the Drawee, that he agrees to the

conditions named in the draft, and thus by "accepting" it, promises to pay the draft when it becomes due. [19] This he does by writing across the face of the draft the word "Accepted," the date, where payable, and his signature. [20] The acceptance should properly be made in red ink, to distinguish it from the other writing in the draft, but [21] this is not absolutely necessary, and is not always observed in business. [22] It is not necessary to date the acceptance when the draft is drawn at a given number of days after date, and although it may be done, it does not affect the maturity of the draft. [23] If no place of payment is incorporated in the acceptance, the draft, when due, is to be presented at the drawee's office for payment.

[24] It is quite a common practice in business when a Sight Draft is presented, for the drawee, if he keep a bank account, to accept it payable at his bank, the same as if it were a Time Draft. [25] It is then at once presented at the bank, paid and charged to his account the same as if a check had been given. This is not an "acceptance" in the full technical sense, but is rather an order on the bank to pay the draft and charge it to the drawee's account.

EXAMPLE No. 3.

John L. Green, of Hartford, Conn., desires to pay to Morgan & Co., of Boston, Mass., whom he owes, the sum of $2316.50. To do this he finds it necessary to make a draft on King & Chase, of Boston, who owe him at least an equal amount, and which is due in thirty days, and he therefore makes the following draft:

FORM OF TIME DRAFT, AFTER DATE.

$2316.50 Hartford, Conn., Aug. 24, 91.

Thirty days after date pay to Morgan & Co.,
or order, Twenty-three Hundred, Sixteen, 50/100 Dollars,
value received, and charge to the account of
John L. Green.
To King & Chase,
Boston, Mass.

After drawing the draft, Green remits it to Morgan & Co., who present it to King & Chase for acceptance — that is, for their consent to the conditions named in the draft — and this they do by writing across the face of the draft as shown in the form above. By this act they issue a written promise to pay, and the accepted draft becomes to King & Chase, therefore, a Bills Payable. The draft being returned to Morgan & Co. bearing the written promise to pay of another party, becomes in their hands a Bills Receivable.

The pupil will write the above mentioned draft on cap paper in proper form as shown in the illustration, then study carefully the following entries and the explanations given in connection with them.

ENTRIES OF THE PARTIES TO THE FOREGOING DRAFT

(*a*) Green's entry when he draws the draft and remits it to Morgan & Co. on account.

Morgan & Co.,	2316.50	
To King & Chase,		2316.50

GREEN *debits* MORGAN & CO. *because he gets out of their debt, and he credits* KING & CHASE *because they get out of his debt.*

(*b*) King & Chase's entry when the draft is presented to them and they accept it.

John L. Green,	2316.50	
To Bills Payable,		2316.50

KING & CHASE *debit* GREEN *because they get out of his debt, and credit* BILLS PAYABLE *because they have issued their written promise to pay.*

The written acknowledgment and consent to the conditions named in the draft by King & Chase, as embodied in their acceptance, make it as much a Bills Payable to them as if they had given Morgan & Co. their note for a like amount.

(*c*) Morgan & Co.'s entry when they receive the draft from Green and it is accepted by King & Chase.

Bills Receivable,	2316.50	
To John L. Green,		2316.50

MORGAN & CO. *debit* BILLS RECEIVABLE *because they have received another party's written promise to pay, and they credit* GREEN *because he gets out of their debt, having by the draft ordered* KING & CHASE *to pay the money to* MORGAN & CO. *for him.*

[26] The Payee has no legal claim against the Drawee until the draft has been accepted. [27] If the draft is not paid by the Drawee, the Payee will have the same remedy against the Drawer which he would have against him as an endorser on a note.

EXAMPLE No. 4.

W. J. Grant, of Kansas City, Mo., owes Rockwell & Co., of New Orleans, La., $1525.50, and Pratt & McNeeley, of New Orleans, La., owe W. J. Grant a like amount. This indebtedness is settled by draft at 60 days from date, Dec. 10, 1889. Draft is accepted payable at the Creole National Bank.

The pupil will write in proper form the draft called for in the foregoing memorandum.

EXAMPLE No. 5.

Perry & Jackson, of Baltimore, Md., draw a draft dated Oct. 25, 1889, at ten days' sight, for $2414.25 on J. V. Wentworth, Albany, N. Y., favor of Willitson, Burgess & Hait, and remit it to them on account. The draft is accepted Oct. 31, 1889, payable at Traders Bank.

FORM OF DRAFT, AFTER SIGHT.

$ 2414.25 BALTIMORE, MD., Oct 25, 188-

At ten days' sight _____ PAY TO

Willitson, Burgess & Hait, _____ OR ORDER,

Twenty-four Hundred Fourteen 25/100 DOLLARS.

VALUE RECEIVED, AND CHARGE TO ACCOUNT OF

TO J. V. Wentworth,
NO. 24 Albany, N.Y.

Perry & Jackson.

The above draft differs from the one under Example No. 3, by [28] being drawn a given number of days after sight (*i. e.*, after acceptance), instead of after date, [29] necessitating the dating of the acceptance in order to show maturity, as the time for which the draft is drawn begins at the date of the acceptance. [30] The entries would be the same as in the other draft.

The pupil will write the above draft, observing the general arrangement of form of draft in Example No. 3, which is wholly written, accept it, and be prepared to make the entries for the three parties.

EXAMPLE No. 6.

Geo. T. Johnson, of Denver, Col., being indebted to Morgan & Weeks, of Cleveland, O., in the sum of $1000, he pays them by a draft dated Jan. 14, 1890, at 60 days' sight, on Osgood, Tower & Co., of Cleveland, O., who owe him. The draft is accepted Jan. 20, 1890, payable at Buckeye National Bank.

The pupil will write the draft called for in the above memorandum, and make the entries for all the parties.

QUESTIONS.

In how many ways may drafts be drawn with reference to time? What are they? What are the two kinds of drafts called? State for what purpose each is presented to the Drawee? What is meant by "Acceptance" as applied to drafts? How is a draft accepted? Where is the draft to be presented when due, in case no place of payment is included in the acceptance? What is a common practice in

business as to the manner of paying sight drafts? Name the Drawee, Drawer, and Payee of the draft in Ex. No. 4. Give its date of maturity. State the relations of the parties as debtors and creditors previous to the drawing of the draft. Give, in writing, the entries which each party will make in connection with the draft, and be prepared to state in each case the reason for such entry. What is required in a draft drawn after sight that is not required in one drawn after date? A draft is dated Dec. 31, 1889, drawn at two months after date; when is it due? A draft is dated Oct. 26, 1889, drawn at 90 days' sight, and accepted Oct. 31, 1889; when is it due? When does the time on a draft drawn after *sight* commence to mature? When on one after *date?*

DRAFTS FOR COLLECTION AND DISCOUNT.

[31] In addition to their use as a convenient and safe medium of exchange between different places, drafts are also employed for the purpose of making collections. Such drafts are made payable to the order of the drawer, or to the order of a bank, and are either discounted at a bank or left there for collection. [32] The use of such drafts is an effectual means of making collections as the drawee is compelled to pay or suffer the loss of credit incident to a protest of his paper; the draft thus may become, in a measure, a weapon for enforcing the payment of debts. [33] Business men sometimes find it necessary to draw on a customer in advance of the maturity of his account, in order to obtain cash for immediate use. This they do by drawing the draft at such number of days as will extend the payment on it to the time the account is due, and then deposit the draft in the bank, or otherwise dispose of it for cash less the discount

EXAMPLE No. 7.

James D. Martin, of Toledo, O., draws a draft in favor of himself for $500, dated Nov. 7, 1889, at 60 days from date, on Armour, Kean & Co., Chicago, Ill., and sells it for cash, less 63 days' discount, to Robt. Dowd & Bro.

[34] There need necessarily be but two parties to a draft. [35] The Drawer may make the draft payable to himself (using "myself," "ourselves," or the drawer's name), and it may then be placed in the bank for collection, or it may be discounted, if the drawer's credit is good.

FORM OF DRAFT, TWO PARTIES.

500^{00}/_{100}$ Toledo, O., Nov. 7, 1889.

Sixty days after date, pay to the order of myself. Five Hundred Dollars, value received, and charge to the account of

James D. Martin.

To Armour, Kean & Co.,

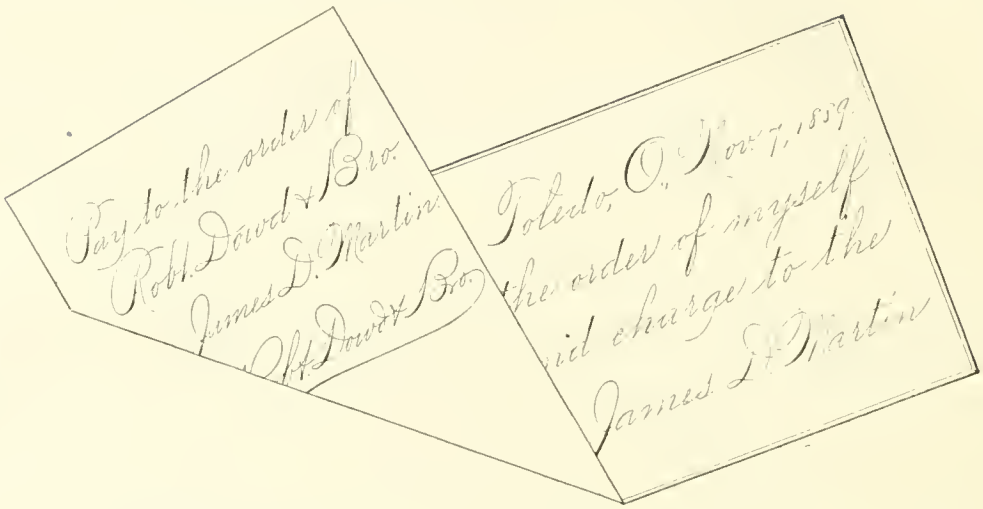
Chicago, Ill.

The Drawer in this case is also the Payee. [37] When Martin disposes of the draft to Robt. Dowd & Bro., he must endorse it. [38] This he may do by simply writing his name across the back of the draft, or [39] by writing *Pay Robt. Dowd & Bro., or order,* and signing his name underneath. [40] The first is called a *Blank endorsement;* [41] the second a *Full endorsement.*

[42] Drafts, notes, checks, or other commercial paper, when drawn payable to *order*, must be endorsed by the Payee if transferred to other parties.

Assuming that Martin transfers the foregoing draft to Dowd & Bro. by a full endorsement, and that Dowd & Bro., when they present it for payment to Armour, Kean & Co., endorse it in blank, the endorsements will appear on the back of the draft as shown on the following page:

ILLUSTRATION OF FULL AND BLANK ENDORSEMENTS.



ENTRIES OF THE PARTIES TO THE FOREGOING DRAFT.

(*a*) Martin's entry when he draws the draft and sells it to Robt. Dowd & Bro. for cash less the discount.

Cash,		494.75	
Discount,		5.25	
	To Armour, Kean & Co.,		500.00

MARTIN *debits* CASH *because received; debits* DISCOUNT *because he allows it to others; credits* ARMOUR, KEAN & CO., *because they get out of his debt.*

(*b*) Dowd & Bro.'s entry when they buy the draft of Martin for cash less discount.

Bills Receivable,		500.00	
	To Cash,		494.75
	Discount,		5.25

DOWD & BRO. *debit* BILLS RECEIVABLE *because they receive the written obligation of other parties, due at a future time; credit* CASH *because paid out; credit* DISCOUNT *because it is allowed to them.*

(*c*) Armour, Kean & Co.'s entry when the draft is presented and they accept it.

James D. Martin,		500.00	
	To Bills Payable,		500.00

ARMOUR, KEAN & CO. *debit* MARTIN *because they get out of his debt; credit* BILLS PAYABLE *because they issue their written promise to pay, due at a future time.*

(*d*) Armour, Kean & Co.'s entry when the above acceptance becomes due and they pay it in cash.

Bills Payable,		500.00	
	To Cash,		500.00

ARMOUR, KEAN & CO. *debit* BILLS PAYABLE *because they redeem their written promise to pay; credit* CASH *because paid out.*

When the draft is presented to Armour, Kean & Co. for acceptance, they may prefer to pay it at once instead of accepting it, provided the holder will allow them the discount for the time it has to run. Assuming that this is done, the entry would be as follows:

(*e*) Armour, Kean & Co.'s entry should they pay the draft on presentation, in cash, less discount, instead of accepting it.

James D. Martin,		500.00	
	To Cash,		494.75
	Discount,		5.25

ARMOUR, KEAN & CO. *debit* MARTIN *because they get out of his debt; credit* CASH *because paid out; credit* DISCOUNT *because it is allowed to them.*

Even if they accept the draft, circumstances may arise which make it desirable for Armour, Kean & Co. to pay the acceptance before maturity, the holder of it allowing them the discount for the time it has to run. Their entry in such case would be:

(*f*) Armour, Kean & Co.'s entry should they prepay their acceptance as above, in cash, less 45 days' discount.

Bills Payable,		500.00	
	To Cash,		496.25
	Discount,		3.75

ARMOUR, KEAN & CO. *debit* BILLS PAYABLE *because they have redeemed their written promise to pay; credit* CASH *because paid out; credit* DISCOUNT *because it is allowed to them.*

EXAMPLE No. 8.

Parker & Chase buy of Charles D. Steele, for cash, less 63 days' discount, his draft dated at Pittsburg, Pa., Dec. 30, 1889, drawn in his own favor at 60 days' sight on Alex. Gardner & Co., New York, for $890.40.

QUESTIONS.

In the draft under Example No. 7, who is the Drawer? Who the Drawee? Who the Payee? Under what circumstances may there be but two original parties to a draft? What is required to be done by the Payee of a note, check, or draft which is drawn payable to his order, in case he desires to dispose of it? What are the two common forms of endorsement called? Describe both. Write the draft required in the memorandum under Example No. 8. The Payee transfers it by a full endorsement to the parties who buy it of him. Make the endorsement. Assume that Parker & Chase transfer the draft by a full endorsement to O. W. Latimer, who endorses it in blank when it is paid at maturity. Make the other endorsements. The draft is accepted Jan. 2, 1890, payable at Broadway National Bank. Write the acceptance. Show date of maturity. Make Steele's entry when he sells the draft to Parker & Chase. Make Parker & Chase's entry when they buy it. Make Gardner & Co.'s entry when they accept it. Make Gardner & Co.'s entry, assuming that they paid the draft when it was presented, less 63 days' discount, instead of accepting it. Make Gardner & Co.'s entry assuming that they accepted the draft and subsequently paid the acceptance 40 days before it was due.

SPECIAL INSTRUCTIONS FOR JOURNALIZING DRAFTS.

DRAWER'S ENTRIES.

[43] When he draws a draft and remits it to the Payee, to apply on account, he makes

Payee,
To Drawee.

[44] When he draws a draft and disposes of it, less discount, receiving cash for the proceeds.

Cash,
Discount,
To Drawee.

DRAWEE'S ENTRIES.

[45] When he accepts a draft drawn on him on account.

Drawer,
To Bills Payable.

[46] When he pays a sight draft on him, in cash.

Drawer,
To Cash.

[47] When he prepays a time draft, in cash, less discount, instead of accepting it.

Drawer,
To Discount,
" Cash.

[48] When he pays his acceptance at maturity, in cash.

Bills Payable,
To Cash.

PAYEE'S ENTRIES.

[49] When he receives a time draft from Drawer, to apply on account.

Bills Receivable,
To Drawer.

[50] When the Drawee prepays the draft in cash, less discount, instead of accepting it.

Cash,
Discount,
To Drawer.

[51] When he buys the draft of the Drawer, instead of receiving it on account, the Drawer allowing him the discount.

Bills Receivable,
To Cash,
" Discount.

GENERAL RULE FOR JOURNALIZING DRAFTS DRAWN ON ACCOUNT.

[52] *Debit the person who draws a draft on you.* [53] *Credit the person on whom you draw a draft.*

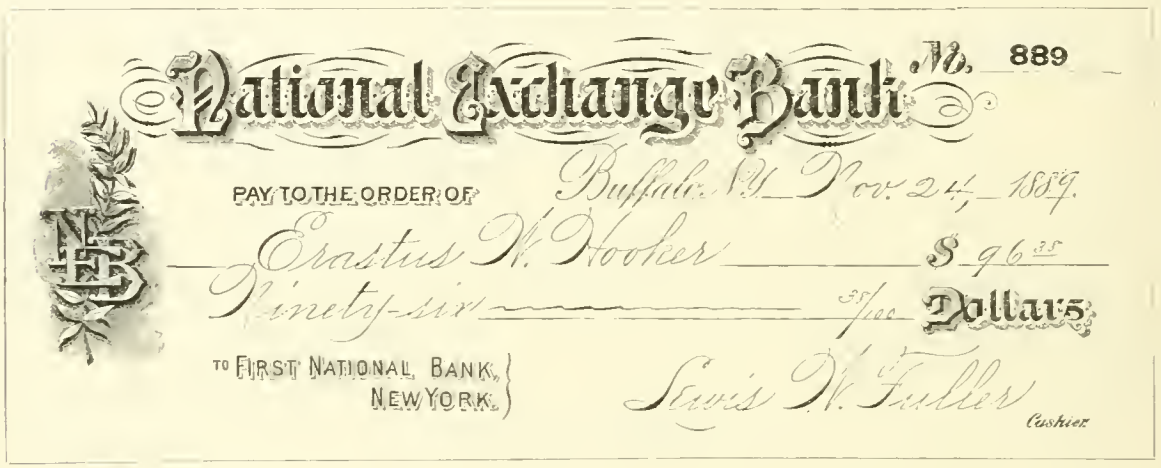
OTHER APPLICATIONS OF THE DRAFT PRINCIPLE.

BANK DRAFTS.

[54] What are termed "Bank Drafts" constitute a large proportion of the business transacted through this medium of exchange. [55] Nearly all banks keep money deposited with one or more of the banks located at some one of the commercial centers of the country, as New York, Boston, Chicago, San Francisco, New Orleans, etc., [56] against which they draw drafts to sell to their customers for [57] remittance to creditors, [58] these drafts passing current as cash [59] in the section of country tributary to the commercial center where the bank is located upon which the draft is drawn. To illustrate:

Erastus W. Hooker, of Buffalo, N. Y., owes Lockwood, Bailey & Co., of Bridgeport, Conn., $96.38, which he desires to pay. Stepping into the National Exchange Bank, near his place of business, and handing to the proper officer cash for the required amount, as stated above, plus the bank's charge for the accommodation, which is called "Exchange," he asks for a draft on New York, payable to the order of himself. This draft will, when given him, conform in all essential particulars to the following:

FORM OF BANK DRAFT.



The above form for check and draft, with number and amount in figures at the right side, has been recommended by the National Bankers Association, and is being quite generally adopted. The principal advantage claimed for it is, that when in a file, or package, all the particulars required for entering in the bank or other books, can be obtained without taking the paper out of the file. It is also claimed that there is less liability of errors in the amounts when they come near together.

Hooper has now in his possession, in a convenient form for transmission by mail, a substitute for money which can be readily used by Messrs. Lockwood, Bailey & Co., in Bridgeport, and which, will be as acceptable to them as the money itself. Endorsing the draft in full to Lockwood, Bailey & Co. (see 38 and 41, page 57, for explanation of a full endorsement), he encloses it to them in a letter, and upon its receipt they may deposit it in the bank where they keep their account, or they may send it in like manner to another party to pay a debt they owe, or use it for other commercial purposes.

To insure safety in the payment of a draft or check to the proper person, banks require, in case the person presenting the paper for payment is unknown to them, that he be *identified*—that is, that some person who is known to them shall vouch for him as being the person he claims to be. This custom adds greatly to the safety of this method of making remittances.

The pupil will study carefully the above form, also the following entries, and the explanations to them.

ENTRIES OF THE PARTIES TO THE FOREGOING BANK DRAFT.

(*a*) The Buffalo bank's entry when it draws the draft and sells it for cash, charging ¼% exchange.

Cash,		96.62
To First Na'tl Bank, N. Y.,		96.38
Exchange,		.24

The BUFFALO BANK *debits* CASH *because it is received; credits* FIRST NATIONAL BANK *for the draft drawn on it; credits* EXCHANGE *because it has been allowed to the bank.*

(*b*) Hooker's entry when he buys the draft and remits it to Lockwood, Bailey & Co., on account.

Lockwood, Bailey & Co.,	96.38	
Exchange,	.24	
To Cash,		96.62

HOOKER *debits* LOCKWOOD, BAILEY & CO. *because he gets out of their debt; debits* EXCHANGE *because it is allowed by him; credits* CASH *because he parts with cash.*

(*c*) Lockwood, Bailey & Co.'s entry when they receive the draft from Hooker to apply on account.

Cash,	96.38	
To Erastus W. Hooker,		96.38

LOCKWOOD, BAILEY & *Co. debit* CASH *because it is received; credit* HOOKER *because he gets out of their debt.*

(*d*) The New York bank's entry when it pays the draft drawn on it by the Buffalo bank, in cash.

National Exchange, Buffalo,	96.38	
To Cash,		96.38

The NEW YORK BANK *debits the* BUFFALO BANK *for the draft paid on its account; credits* CASH *because paid out.*

EXAMPLE No. 9.

Henry W. Brown, of Syracuse, N. Y., who is a depositor in the Salt City Bank, and who has funds there to his credit, desiring to make a cash purchase of Sherman & Co., of Newark, N. J., amounting to $34.25, buys a New York draft at the above-mentioned bank, and pays for the same by check. The bank charges 15¢ exchange. Brown endorses the draft in full to Sherman & Co., and they endorse it in blank and deposit it in their bank. The check and draft are both dated May 22, 1889.

The pupil will write up in proper form, first, the check mentioned above. (For form of check see page 47.) In the check in place of the Payee's name write "N. Y. draft $34\frac{25}{100}$ and exch. 15¢," and omit the word "order" or "bearer." This explains what the check was given for, and it also furnishes to the bank clerk convenient information for making out the draft.

Next write the draft referred to above, and show the endorsements on the back of it. Then make the entries of all the parties for the above transactions, and be prepared to answer the following

QUESTIONS.

What is a Bank Draft? What gives one bank the right to draw a draft on another? How are these drafts treated by the parties receiving them? Where are they so treated? Why are they so treated? How should a draft be endorsed when it is transmitted by mail? Why? How endorsed when deposited in bank? In the draft mentioned in Ex. 9, who is the Drawer? Who the Drawee? Who the Payee? Who the Endorser? Who the Endorsee?

ORDERS PAYABLE IN MONEY AND PAYABLE IN GOODS.

[60]There is practically no difference between an Order, payable in money, and a sight draft, [61]except that, usually, all of the parties to an order reside in the same place, while in the draft the Drawer, as a rule, resides in one place and the Drawee and Payee in another.

FORM OF ORDER PAYABLE IN MONEY.

$\$25\frac{00}{100}$ TOLEDO, O., May 16, 1890.

JOHN BARTLETT, JR., 374 Summit St., will please pay the bearer Twenty-five Dollars, and charge the same to my account.

WM. E. COLEMAN.

It will be readily seen that, although the wording and arrangement of the above order are somewhat different from that of a draft, yet it is the same in principle, there being three parties to it, Coleman as *Drawer*, Bartlett as *Drawee*, and Bearer (whoever he may be) as *Payee*. [62]The relations

which they sustain to each other are also identical with the parties to a draft. Bartlett owes Coleman and Coleman owes Bearer. On receiving the order from Coleman, Bearer will present it to Bartlett for payment, and, if paid, the indebtedness of the parties will be canceled, or so much of it as is covered by the order.

FORM OF ORDER PAYABLE IN GOODS.

$15\frac{00}{100}$ DETROIT, MICH., June 21, 1890.

E. J. HARTMANN & Co., 1244 Jefferson Ave., will please deliver to bearer Groceries, not exceeding in amount Fifteen Dollars, and charge the same to my account.

MOSES H. BECKER.

It will be seen that the above form differs from the previous one only by being made payable in goods instead of money. An order payable in goods is not negotiable.

POST OFFICE MONEY ORDERS, POSTAL NOTES, AND EXPRESS MONEY ORDERS.

These are now quite generally employed in business for making remittances to distant places. They all embody the draft principle as heretofore explained and illustrated.

QUESTIONS.

How does an order drawn payable in money differ from a sight draft? Draw an order on Samuel Jones, 15 Clark St., in favor of Henry Banning, or order, for Twelve Dollars and Fifty Cents, payable in money. Should Banning desire to transfer this order to Wm. Walker, what would it be necessary for him to do before Walker could collect on it? Draw an order on one party in favor of another for a quantity of goods. Who only can collect on this order?

MISCELLANEOUS EXERCISES ILLUSTRATING DRAFTS.

Before commencing upon the work of the exercises given below the student will procure a sheet of Ledger paper and open accounts with the following persons, debiting those who owe him and crediting those whom he owes.

THE FOLLOWING PERSONS OWE STUDENT ON ACCOUNT:

July 1, 1889.	Jno. D. Gordon, Albany, N. Y.	1500.00
" " "	Wm. Groves & Son, Cleveland, O.	1800.00
" " "	Elwood & Speers, Chicago, Ill.	400.00
" " "	Morgan & Co., Philadelphia, Pa.	2500.00

STUDENT OWES THE FOLLOWING PERSONS ON ACCOUNT:

July 1, 1889.	Geo. D. Hatch, Chicago, Ill.	100.00
" " "	Henry L. Brooks, New York,	1600.00
" " "	Parker Bros., St. Louis, Mo.,	500.00
" " "	Oliver & Co., Indianapolis, Ind.	1500.00

After opening the accounts as above instructed, proceed with the work of the exercises which follow, making the proper entries for each transaction in the accounts direct, to which they belong. In this way the student will readily see the relations which the parties sustained to each other *prior* to the drawing of the draft and how the drawing of the draft affected those relations.

MEMORANDA OF TRANSACTIONS.

Oct. 1, 1889. Drew a sight draft on Elwood & Speers, 400.00, and remitted it to Geo. D. Hatch, on account.

Write the draft, after which make the proper entries in the accounts.

Oct. 10. Accepted, payable at College National Bank, Oliver & Co.'s draft on me, favor Amos W. Clark, dated Oct. 4, at thirty days from date, for 500.00.

Write the draft, including the acceptance; show the date of maturity and make the proper entries in the accounts.

Oct. 20. Drew a draft on Morgan & Co. in favor of myself for 2000.00; and had it discounted at College National Bank, and received credit, less 93 days' discount.

Write the draft, endorse it in blank and make the proper entries in the accounts, treating the proceeds to your credit in bank as cash.

Oct. 25. Received of Wm. Groves & Son, to apply on account, their draft in my favor for 800.00, dated Oct. 20, at ten days' sight, on Geo. W. Andrews, of this city. Andrews accepted the draft to-day, payable at Traders Bank.

Write the draft, including the acceptance; show date of maturity and make the proper entries.

Oct. 31. Accepted, payable at College National Bank, Henry L. Brooks' draft for 900.00, on me, drawn in favor of Charles Boyd & Co., and endorsed by them to Stephen D. Hoag, by full endorsement; draft dated Oct. 26, at sixty days' sight.

Write the draft, including the acceptance and the endorsement; show date of maturity and make the proper entries in the accounts.

Nov. 12. My acceptance of Oct. 10, due to-day at College National Bank, has been paid by the bank and charged to my account.

Make the proper entries, remembering that payments made for you by the bank you are to treat as cash.

Nov. 15. Prepaid a draft drawn on me by Parker Bros., St. Louis, Mo., dated Nov. 12, at 60 days' sight, in favor of Owen Fry & Co., 500.00, by check on College National Bank, less 63 days' discount.

Write the draft and make the proper entries.

Nov. 20. Received of Jno. D. Gordon, to apply on account, a sight draft for 500.00, dated Nov. 10, and drawn by Lapham & Mead, of Boston, Mass., on the Hartwell Mfg. Co., of this city, favor of Gordon, and transferred by him to me by full endorsement.

Write the draft, including the endorsement, and make the proper entries.

Nov. 25. Prepaid my acceptance of Oct. 31, by check on College National Bank, less the discount for the time it has yet to run.

Make the proper entries.

After completing the work as outlined above, present your papers to the teacher for approval, and be prepared to answer any of the questions on the subject of Drafts given under the preceding exercises, preparatory to commencing the work of the next set embraced in the months of July and August.

QUESTIONS FOR REVIEW.

Page 53.—[1] What is a draft? [2] The object of it? [3] What are the parties to a draft called? [4] Which is the Drawer? [5] Which the Drawee? [6] Which the Payee? Page 54.—[7] In how many ways are drafts drawn with reference to time? [8-10] What are they? [11-12] What are they called? [14] For what are sight drafts presented? [13] When are they payable? Page 55.—[17] For what are time drafts presented? [16] When are they payable? [18] What is meant by "acceptance?" [19] How is it done? [22] When is it unnecessary to date the acceptance? [23] Where is a draft payable if no place of payment is mentioned in the acceptance? [24-25] How are sight drafts sometimes paid by business men who keep a bank account? Page 57.—[34] Is it necessary that there be three persons mentioned in a draft? [35] Explain why? [28] What is a Blank endorsement? Page 58.—[39] A Full endorsement? [42] When is it necessary to endorse commercial paper? Page 59.—[33-51] Give the special instructions for journalizing drafts. Page 60.—[52-53] Give the general rule for journalizing drafts drawn on account. [54-59] Define Bank draft, and state how it is used. Page 61.—[60-61] What is the difference between an order payable in money and a sight draft? [62] How do the relations of the parties to an order compare with those of the parties to a draft?

BUYING PRICE LISTS FOR JULY AND AUGUST.

DESCRIPTION.	QUANTITY.	No. 1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Tea.											
Japan,	75 lb. Hlf. Ch.,	25¢ lb.	30	27	25	20	25	28	30	27	30
Oolong,	50 " " "	45¢ lb.	50	45	40	45	50	55	50	45	40
Young Hyson,	70 " " "	33⅓¢ lb.	33⅓	30	28	25	30	33⅓	35	30	33⅓
English Breakfast,	60 " " "	30¢ lb.	32	28	25	24	28	30	32	27	32
Coffee.											
Rio,	125 " Bag,	12½¢ lb.	16⅔	15	12½	14	16⅔	15	13	12½	15
Java,	75 " Mat,	20¢ lb.	25	20	18	25	20	25	20	18	20
Mocha,	150 " Bale,	25¢ lb.	30	25	22	28	25	30	25	22	25
Maracaibo,	125 " Bag,	16⅔¢ lb.	15	14	12½	16⅔	15	18	16⅔	15	16⅔

SELLING PRICE LISTS FOR JULY AND AUGUST.

DESCRIPTION.	QUANTITY.	No. 1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Tea.											
Japan,	75 lb. Hlf. Ch.,	30¢ lb.	33⅓	30	28	25	30	33⅓	35	30	33⅓
Oolong,	50 " " "	50¢ lb.	55	50	50	55	55	60	55	50	45
Young Hyson,	70 " " "	40¢ lb.	37½	35	33⅓	30	33⅓	37½	40	33⅓	37½
English Breakfast,	60 " " "	37½¢ lb.	35	33⅓	30	28	35	35	37½	30	35
Coffee.											
Rio,	125 " Bag,	15¢ lb.	20	18	16⅔	18	21	18	16⅔	15	18
Java,	75 " Mat,	25¢ lb.	30	25	22	28	25	28	25	21	24
Mocha,	150 " Bale,	30¢ lb.	33⅓	30	25	33⅓	30	33⅓	30	25	30
Maracaibo,	125 " Bag,	20¢ lb.	20	18	16⅔	20	18	22	20	18	20

FORM OF JOURNAL ENTRY FOR JULY 1, 18–.

JULY 1, 18–.

Cash,	On deposit in College National Bank,	3500	00		
Real Estate,	Store and lot, 66 W. 18th St.,	5000	00		
Belford Bros. & Co.,	Owe on acct.,	500	00		
Geo. H. Collins,	Owes on acct.,	680	50		
Perkins & Swift,	Owe on acct.,	816	88		
Chas. L. Welch,	Owes on acct.,	450	00		
To Student,	Resources,			10947	38
Student,	Liabilities,	3175	25		
To Colburn & Dodge,	Due them on acct.,			1500	00
G. B. Meech & Son,	Due them on acct.,			1675	25

MEMORANDA OF TRANSACTIONS FOR JULY.

1. Commenced the Wholesale Tea and Coffee business this day, with the following Resources and Liabilities:

RESOURCES. (*See Remark 1.*)

On deposit in College National Bank (*see Remark 2*)	3500.00
Store and Lot No. 66 West 18th St., valued at (*see Remark 3*)	5000.00
Belford Bros. & Co., Danville, owe on acct.	500.00
Geo. H. Collins, Geneva, owes on acct.	680.50
Perkins & Swift, Branchport, owe on acct.	816.88
Chas. L. Welch, City, owes on acct.	450.00

LIABILITIES.

Colburn & Dodge, Geneva, due them on acct.	1500.00
G. B. Meech & Son, Danville, due them on acct.	1675.25

REMARK 1. When the proprietor commences business with both resources and liabilities, there are two forms for making the Journal entry;

1. *Debit the resources and credit the proprietor for their sum; credit the liabilities and debit the proprietor for their sum.* Or,

2. *Debit the resources, credit the liabilities, and credit the proprietor for the difference between the sum of the resources and the sum of the liabilities. This difference is the* NET INVESTMENT. (*Use the first form. See illustration on page 64.*)

REMARK 2. Treat the Bank account as Cash, as in the months of April, May, and June. (*See note on page 47.*)

REMARK 3. *Real Estate* is the Ledger title usually employed in journalizing transactions relating to Houses and Lands. The same rules apply as in the case of Mdse. (*See 66 to 74, page 9.*)

2. Bought of Lobeck, Durfee & Co., 169 Reade St., New York, on account at 60 days, the following invoice of goods received this day by Commercial Fast Freight Line: 20 hf. ch., 1000 lbs., Oolong Tea; 20 hf. ch., 1400 lbs., Y. H. Tea; 30 hf. ch., 2250 lbs., Japan Tea; 10 hf. ch., 600 lbs., English Breakfast Tea; 50 mats, 3750 lbs., Java Coffee; 10 bags, 1250 lbs., Maracaibo Coffee; 10 bales, 1500 lbs., Mocha Coffee; 15 bags, 1875 lbs., Rio Coffee.

Obtain from the teacher the number of the Price List which you are to use in this set, and then prepare a Price List sheet as instructed in note on page 45.

Make the extensions of the above items mentally as much as possible, using aliquots where convenient to do so. Employ, of course, the prices given in your buying list.

3. Sold Geo. H. Collins, Geneva, on account at 15 days, 5 hf. ch., 375 lbs., Japan Tea; 5 hf. ch., 350 lbs., Y. H. Tea; 10 mats, 750 lbs., Java Coffee; 5 bags, 625 lbs., Rio Coffee.

" Drew a sight draft on Belford Bros. & Co., and remitted same to G. B. Meech & Son, to apply on account, 500.00. (*See 43, page 59.*)

Write up, in proper form, on foolscap paper, the draft called for above, after which make the entry for the transaction in your Journal. Write up, in like manner, all of the drafts where directed to do so, and after completing the work of the month, present your books together with the drafts, to the teacher for approval.

5. Received cash of Chas. L. Welch, to apply on account, 200.00.

6. Accepted, payable at C. N. Bank, Colburn & Dodge's draft, dated July 3, at ten days' sight, favor N. A. Perkins, 356.80. (*Write the draft, including acceptance. See 45, page 59.*)

" Paid Walker & Co.'s bill for office books, furnished July 1st, in cash, 35.00.

8. Sold Geo. W. Carter, City, for cash, 2 hf. ch., 100 lbs. Oolong Tea; 1 hf. ch., 70 lbs., Y. H. Tea; 2 bales, 300 lbs. Mocha Coffee.

" Deposited cash in C. N. Bank, 200.00. (*Memorandum only. See note on page 47.*)

9. Received of Perkins & Swift, to apply on account, their draft, 300.00, dated July 5, at 60 days from date, on Scoville, Parks & Howard, this city, in my favor, which the drawees have this day accepted, payable at Traders Bank. (*Write the draft, including acceptance. See 49, page 59.*)

10. Bought of Manchester Safe Co., a safe for office, 250.00. Paid for same by check on C. N. Bank.

" Drew a draft, at 30 days from date, on Geo. H. Collins, favor of Colburn & Dodge, for 680.50, and remitted it to them (Colburn & Dodge) to apply on account, less 33 days' discount.

MEMORANDA OF TRANSACTIONS FOR JULY (Continued.)

10. Sold Belford Bros. & Co., on account at 30 days, 10 hf. ch., 700 lbs., Y. H. Tea; 10 hf. ch., 750 lbs., Japan Tea; 20 mats, 1500 lbs., Java Coffee; 5 bags, 625 lbs., Maracaibo Coffee.

" Paid G. B. Meech & Son's sight draft on me, dated July 8, in favor of Tower & Burke, by check on C. N. Bank, 250.00.

12. Bought of Freeman & Guilford, City, on account at 30 days, 20 hf. ch., 1400 lbs., Y. H. Tea; 10 hf. ch., 600 lbs., E. B. Tea; 10 bales, 1500 lbs., Mocha Coffee; 10 bags, 1250 lbs., Maracaibo Coffee.

13. Accepted, payable at C. N. Bank, Lobeck, Durfee & Co.'s draft, 475.50, dated July 10, at 45 days' sight, in favor of themselves, and transferred by full endorsement to Wm. B. Eaton. (*Write the draft, including acceptance and endorsement.*)

" Paid Dewey & Carpenter's bill for office furniture, by check on C. N. Bank, 200.00.

15. Sold Hammond & Boyd, Cooperstown, 5 hf. ch., 250 lbs., Oolong Tea; 10 hf. ch., 750 lbs., Japan Tea; 10 mats, 750 lbs., Java Coffee. Received cash for one-half the invoice; balance on account, 30 days.

In every computation, if the fraction be one-half cent or more, add another cent; if less than one-half cent, drop the fraction.

" Drew from the business for private use, 100.00, by check on C. N. Bank.

16. Drew a draft at 30 days from date, on Belford Bros. & Co., in favor of myself, for the amount of the invoice sold them on the 10th inst. Discounted the draft at C. N. Bank and received credit for same, less 33 days' discount. (*Write the draft, including endorsement.*)

17. Prepaid Lobeck, Durfee & Co.'s draft, 500.00, dated July 15th, at 45 days' sight, favor of McNeil & Darby, less 48 days' discount, by check on C. N. Bank.

8. Sold Perkins & Swift, on account at 10 days, 10 hf cf., 700 lbs., Y. H. Tea; 5 bags, 625 lbs., Rio Coffee; 10 mats, 750 lbs., Java Coffee.

Received of Geo. H. Collins, in full payment of his invoice of July 3, a draft drawn by the Farmers Bank of Geneva, H. B. Smith, Cashier, on the Ninth National Bank of New York, in his favor, and transferred by him to me by full endorsement. (*Write the draft, including endorsement. See form of bank draft on page 60.*)

19. My acceptance of 6th inst., due to-day, has been paid by C. N. Bank and charged to my account.

" Deposited in C. N. Bank the draft on New York, received on the 18th inst.

20. Scoville, Parks & Howard prepaid their acceptance of 9th inst. in cash, less discount to maturity, 48 days.

" Bought of Lobeck, Durfee & Co., 169 Reade St., New York, on account at 60 days, the following invoice of goods, received this day by Commercial Fast Freight Line: 40 mats, 3000 lbs., Java Coffee; 20 bags, 2500 lbs., Rio Coffee; 10 bales, 1500 lbs., Mocha Coffee; 10 hf. ch., 600 lbs., E. B. Tea; 20 hf. ch., 1500 lbs., Japan Tea.

22. Received of Perkins & Swift, for credit, their draft, 516.88, in my favor, dated July 12th, at 60 days from date, on Freeman & Guilford, this city. Passed the draft to Freeman & Guilford to apply on account, less 33 days' discount.

Remark.—Thirty days of the time on this draft are offset by the time on F. & G.'s invoice of July 12.

" Deposited cash in College National Bank, 500.00.

23. Sold Belford Bros. & Co., on account at 30 days, 10 mats, 750 lbs., Java Coffee; 5 bales, 750 lbs., Mocha Coffee; 5 hf. ch., 375 lbs., Japan Tea.

25. Prepaid my acceptance of the 13th inst., favor of Wm. B. Eaton, by check on C. N. Bank, less discount, 36 days.

26. Received of Chas. L. Welch, cash to apply on account, 100.00.

27. Sold Geo. H. Collins, on account at 30 days, 5 hf. ch., 300 lbs., E. B. Tea; 5 bags, 625 lbs., Rio Coffee; 10 mats, 750 lbs., Java Coffee.

MEMORANDA OF TRANSACTIONS FOR JULY (Continued).

29. Drew a sight draft on Perkins & Swift for invoice of July 18th. in favor of myself, and deposited same in C. N. Bank, receiving credit, less bank's charges for collection, ¼%. (Open an account with "*Collection and Exchange.*")

" Paid Commercial Fast Freight Line Co.'s bill of freight charges for the month, in cash, 11.65. (*Debit Mdse.*)

30. Accepted, payable at C. N. Bank, Colburn & Dodge's draft, 300.00, dated July 26th at 10 days' sight, in favor of F. H. Green.

" Deposited cash in College National Bank, 100.00.

31. Received of Hammond & Boyd, for amount due on invoice sold them July 15th their draft dated July 27th, at 15 days' sight, in our favor, on D. B. Goldfield, of this city, which the drawee has this day accepted, payable at Merchants Bank.

" The valuation placed upon the Store and Lot, the 1st inst., being 500.00 too high, have made an entry correcting the same.

" Paid Employes' salaries for the month, in cash, 125.00.

INVENTORIES, JULY 31, 18–.

MERCHANDISE.

20 mats, 1500 lbs., Java Coffee.	25 hf. ch., 1500 lbs., English Breakfast Tea.
15 bags, 1875 lbs., Maracaibo Coffee.	20 hf. ch., 1500 lbs., Japan Tea.
23 bales, 3450 lbs., Mocha Coffee.	13 hf. ch., 650 lbs., Oolong Tea.
20 bags, 2500 lbs., Rio Coffee.	14 hf. ch., 980 lbs., Young Hyson Tea.

EXPENSE.—Office Safe, 250.00; Office Books, 35.00; Office Furniture, 200.00; total, 485.00.

REAL ESTATE.—Store and Lot, 4500.00.

You will now post. Give Cash 25 lines, Mdse. 20 lines, Bills Payable 10 lines, Bills Receivable 10 lines, Discount 12 lines, and to all other accounts 8 lines space each. *After completing the posting make out a Balance Sheet, and close the accounts showing losses and gains, preparatory to admitting a partner on Aug. 1.*

If your work is correct, the net gain shown by your Balance Sheet, will agree with the result given below under the number of the list corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	510.83	422.29	442.84	415.37	414.55	481.30	355.95	496.16	264.42	371.26

After completing the work as instructed above, present your books and the drafts called for in the text, to the teacher for approval.

MEMORANDA OF TRANSACTIONS FOR AUGUST.

1. Geo. W. Bigelow has this day been admitted as an equal partner, the firm name to be "Student" & Bigelow.

" Geo. W. Bigelow invests a note made by Alfred L. Decker, in his favor, secured by the endorsement of W. W. Osgood, dated August 1, 18—, at 20 days, with interest, and transferred by the payee to the new firm by a full endorsement, 3000.00. (*Write this note, including the endorsement.*) Bigelow also invests cash for the balance required to make his investment equal to Student's present worth.

REMARK.—In a business conducted by a partnership, an account is usually opened in the Ledger with each partner, in which he is credited with his share of the investment, and also with his share of the gains, or is debited with his share of the losses.

A "Stock" account is sometimes opened in a partnership business, instead of an account with each partner, which is credited with the combined investment of the partners, and at stated periods is credited with the entire net gain of the business, or debited with the net loss. In such case a "Stock Ledger" is kept by the partners, upon which each has an account showing his interest in the business. In this set the first plan will be followed.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

1. Transferred Student's credit in C. N. Bank to credit of "Student" & Bigelow; also deposited cash, 4000.00. (*Memorandum only.*)

2. Sold Perkins & Swift, on account at 15 days, 5 hf. ch., 300 lbs., E. B. Tea; 10 hf. ch., 750 lbs., Japan Tea; 10 mats, 750 lbs., Java Coffee; 5 bags, 625 lbs., Maracaibo Coffee; 10 bales, 1500 lbs., Mocha Coffee.

3. Prepaid Lobeck, Durfee & Co.'s draft on us, dated August 2, at 30 days' sight, favor Edmund J. Olney, by check on C. N. Bank, less 33 days' discount, for balance due them on invoice of July 2.

" Took out policies of Insurance with North American Insurance Company, A. R. Cooley, Agent, 3000.00 on building and 5000.00 on stock. Paid premium by check on C. N. Bank, 120.00.

5. Accepted, payable at C. N. Bank, G. B. Meech & Son's draft, favor Pond & O'Dell, dated July 29, at 15 days' sight, 300.00.

" Received cash of Chas. L. Welch, in full of account.

6. Sold Hammond & Boyd, on account at 30 days, 10 hf. ch., 600 lbs., E. B. Tea; 10 hf. ch., 500 lbs., Oolong Tea; 10 hf. ch., 700 lbs., Y. H. Tea; 15 bags, 1875 lbs., Rio Coffee; 5 bales, 750 lbs., Mocha Coffee.

" Deposited cash in College National Bank, 750.00.

8. Bought at C. N. Bank, by check, a draft on Ninth National Bank, New York, 166.44, at $\frac{1}{4}\%$ exchange, and remitted same to Colburn & Dodge, to balance account.

9. Accepted, payable at C. N. Bank, Lobeck, Durfee & Co.'s draft on us, favor Hart & Long, dated August 8, at 40 days' sight, in full of invoice of July 20.

10. Bought of DeVean & Hallock, 27 Washington St., New York, on account, one-half subject to draft in 15 days, balance in 30 days, the following invoice of goods received this day by Commercial Fast Freight Line: 40 hf. ch., 3000 lbs., Japan Tea; 50 hf. ch., 3500 lbs., Y. H. Tea; 20 bags, 2500 lbs., Maracaibo Coffee; 10 bags, 1250 lbs., Rio Coffee; 10 hf. ch., 500 lbs., Oolong Tea; 40 mats, 3000 lbs., Java Coffee; 20 bales, 3000 lbs., Mocha Coffee.

12. Acceptance of 30th ult., in favor of F. H. Green, due to-day, has been paid and charged in at C. N. Bank.

13. Sold Selden R. Conway, of Burlington, on account at 60 days, 20 hf. ch., 1400 lbs., Y. H. Tea, 20 mats, 1500 lbs., Java Coffee.

15. Gave Freeman, Guilford & Co., our check on C. N. Bank, to balance account.

17. Received of Perkins & Swift, to pay invoice of August 2, their draft on Yates & Potter, of this city, in our favor, dated August 15, at 60 days' sight, for 500.00, which the drawees have this day accepted; also their sight draft, in our favor, on the Melville Mfg. Co., this city, which has been paid in cash, for the balance of the invoice and for 63 days' discount on the draft on Yates & Potter.

18. Received cash for D. B. Goldfield's acceptance of July 31, due to-day.

" Deposited cash in College National Bank, 500.00.

20. Sold Geo. H. Collins, on account at 30 days, 10 hf. ch., 750 lbs., Japan Tea; 5 hf. ch., 250 lbs., Oolong Tea; 20 mats, 1500 lbs., Java Coffee.

21. Drew a sight draft on Belford, Bros. & Co., for amount of invoice sold them July 23, and remitted same to G. B. Meech & Son, on account.

23. Hammond & Boyd having failed in business, have compromised with their creditors at fifty cents on a dollar. Received from them cash, on this basis, for invoice of August 6, and closed their account.

This entry may be made by debiting Cash and Loss & Gain, and crediting Hammond & Boyd in the Journal for the full amount of their indebtedness.

A better way, however, is to make an entry in the Journal only for the amount of cash received, post it immediately and close their account at once into Loss and Gain.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

24. Received cash of Alfred L. Decker, in full for his note invested by Bigelow Aug. 1, due to-day, with interest, and deposited the cash so received in C. N. Bank.

26. Drew a sight draft on Geo. H. Collins, favor of ourselves, for amount of the invoice sold him July 27, and deposited same in C. N. Bank to our credit, less collection, $\frac{1}{4}\%$.

27. Paid DeVean & Hallock's sight draft on us, favor of themselves, for one-half of invoice of 10th inst., by check on C. N. Bank.

29. Sold McLean & Potter, of Oakland, on account at 30 days, 10 mats, 750 lbs., Java Coffee; 15 bags, 1875 lbs., Rio Coffee; 8 hf. ch., 400 lbs., Oolong Tea; 10 hf. ch., 600 lbs., E. B. Tea.

30. Drew a draft on Selden R. Conway, favor of ourselves, at 45 days from date, for invoice sold him 13th inst. Deposited the draft in C. N. Bank, to our credit, less 48 days' discount.

31. Paid Employes' salaries for the month, in cash, 150.00.

" Deposited cash in College National Bank, 500.00.

" Student has this day sold out to his partner, and will engage in the Carpet business on Sept. 1.

INVENTORIES, AUG. 31, 18–.

MERCHANDISE.

40 hf. ch., 3000 lbs., Japan Tea.	30 bags, 3750 lbs., Maracaibo Coffee.
34 hf. ch., 2380 lbs., Y. H. Tea.	28 bales, 4200 lbs., Mocha Coffee.

EXPENSE. Safe, Office Books and Office Furniture, valued at 10% less than cost, 436.50; Insurance—unearned premium, 110.00. Total, 546.50.

REAL ESTATE. Store and Lot, 4500.00.

You will now post, make out a Balance Sheet, and close the Ledger. Arrange the Summary of your Balance Sheet as shown in the form given below.

SUMMARY.

Total Gains (or Losses)			Student's Present Worth		
" Losses (or Gains)			Bigelow's " "		
Net Gain (or Net Loss)			Present Worth of Firm		
Student's Net Credit			PROOF.		
" ½ Gain (or Loss)			Resources		
" Present Worth			Liabilities		
			Present Worth of Firm		
Geo. W. Bigelow's Net Credit					
" " ½ Gain (or Loss)					
" " Present Worth					

Your net gain, or net loss, should agree with that given under the list below corresponding to your own.

NET GAIN.	*No. 1.*	*No. 4.*	NET LOSS.	*No. 2.*	*No. 3.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	18.20	6.28		176.02	53.96	26.97	29.60	218.21	30.06	221.31	151.37

After completing the work of closing the Ledger hand your books to the teacher for approval, and be prepared to answer the questions given on page 63.

SEPTEMBER AND OCTOBER.

[1]The work embraced in this set is designed, principally, to illustrate the use of the *Cash Book* and *Bill Book*.

[2]The business opens with two partners, and is conducted as a partnership through the month of September, when the partnership is dissolved, one of the partners retiring and the other continuing the business. [3]A special feature of the partnership agreement is that one of the partners is allowed a salary by the firm, on account of extra services to be performed.

[4]The **Cash Book** is kept in this set as a principal book; that is, all cash entries are made in the Cash Book and posted directly from that book to the Ledger without being carried to the Journal (*see illustration on pages 76 and 77*). [5]Whenever cash is received, the amount is entered on the left, or debit side, of the Cash Book, with the title of the account to be credited in posting, and an appropriate explanation. [6]Whenever cash is paid out the amount is entered on the right, or credit, side of the Cash Book, with the title of the account to be debited in posting, and an appropriate explanation. [7]The difference between the sides of the Cash Book should exhibit, at any time, the cash on hand. [8]In business it is customary to prove the cash every day; that is, to ascertain whether the cash on hand agrees with the balance as shown by the Cash Book.

[9]The **Bill Book** is kept in this set as an auxiliary book; that is, the particulars regarding the Bills Payable and Bills Receivable which are issued and received, are recorded here, but the entries are not posted from this book to the Ledger, but from the Journal, in which they also appear.

[10]The Bill Book, illustrated on page 75, is arranged for both notes and drafts; [11]the Drawer of a draft and the Endorser of a note sustain substantially the same relation to the paper; both are therefore entered in one column. [12]The same is true also of the Drawee of a draft and the Maker of a note.

[13]Three days of grace are always to be added in giving the maturity of paper. [14]As soon as an entry has been made in the Journal for a Bills Payable issued, or Bills Receivable received, another entry should be made at once in the Bill Book. [15]When a bill has been paid, or disposed of in any manner, the fact should be noted in the proper column in the Bill Book.

BUYING PRICE LISTS FOR SEPTEMBER AND OCTOBER.

	List No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Axminster	2.00 yd.	1.90	2.05	1.95	2.00	1.90	2.05	2.00	1.95	2.05
Body Brussels	1.10 yd.	1.05	1.15	1.10	1.05	1.10	1.10	1.05	1.10	1.15
Ingrain	.57½ yd.	.55	.60	.58	.55	.60	.58	.57½	.55	.60
Lining	.06 yd.	.05	.06¼	.06½	.06	.06½	.06	.05	.06	.06¼
Linoleum	.67½ yd.	.66	.70	.68	.65	.66	.70	.66	.65	.70
Moquette	1.25 yd.	1.16⅔	1.30	1.25	1.15	1.16⅔	1.25	1.15	1.16⅔	1.25
Matting, Cocoa	.47½ yd.	.45	.50	.49	.45	.50	.49	.45	.48	.50
Oil Cloth	.33⅓ yd.	.30	.35	.32	.30	.35	.33⅓	.35	.32	.33⅓
Tapestry Brussels	.65 yd.	.62½	.66⅔	.65	.60	.66⅔	.65	.62	.65	.65
Velvet	1.12½ yd.	1.10	1.15	1.12	1.10	1.15	1.10	1.15	1.10	1.15
Wilton	2.10 yd.	2.00	2.15	2.05	2.00	2.10	2.05	2.00	2.05	2.15

SELLING PRICE LISTS FOR SEPTEMBER AND OCTOBER.

	List No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Axminster	2.50 yd.	2.40	2.55	2.45	2.40	2.35	2.40	2.50	2.55	2.45
Body Brussels	1.35 yd.	1.30	1.40	1.33⅓	1.35	1.30	1.33⅓	1.40	1.35	1.30
Ingrain	.75 yd.	.72	.75	.73	.75	.70	.72	.73	.75	.72
Lining	.10 yd.	.08	.09	.08	.09	.08	.09	.10	.09	.08
Linoleum	.90 yd.	.85	.87½	.86	.85	.80	.85	.90	.87½	.80
Moquette	1.50 yd.	1.40	1.55	1.45	1.50	1.40	1.45	1.55	1.50	1.40
Matting, Cocoa	.60 yd.	.55	.58	.56	.58	.55	.56	.58	.60	.55
Oil Cloth	.50 yd.	.47	.50	.48	.50	.45	.47	.50	.48	.45
Tapestry Brussels	.90 yd.	.85	.92	.87½	.90	.85	.87½	.90	.87½	.85
Velvet	1.37½ yd.	1.25	1.35	1.30	1.35	1.25	1.30	1.35	1.30	1.25
Wilton	2.65 yd.	2.50	2.60	2.55	2.50	2.40	2.50	2.55	2.60	2.40

NOTE TO STUDENT.—Apply to the teacher for the number of the Price List which you are to use in this set, and then prepare a Price List sheet as instructed in note on page 45.

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER.

1. Student and Wm. T. Howard have this day formed a co-partnership, under the firm name of Student & Co., for the purpose of conducting a Carpet business. The partners are to invest equal amounts, and share equally in gains and losses. In consideration of extra services, Student is to be paid by the firm a salary of one hundred dollars per month. (*Make a memorandum of the above in your Journal.*)

" Student and Wm. T. Howard have each paid in 1500.00, cash, the amount to be invested as stipulated in the co-partnership articles this day executed. (*Make these entries on the left side of the Cash Book, which debits cash and credits Student and Wm. T. Howard. See pages 76 and 77.*)

NOTE TO STUDENT.— In opening your Cash Book, leave the first page blank and commence on the second page, so that the receipts and disbursements will appear on opposite pages.

2. Bought of Howe & Rogers, New York, on a/c, 500 yds. Moquette; 500 yds. Body Brussels; 1000 yds. Ingrain; 1000 yds. Matting; 2000 yds. Lining. (*J.*)

3. Sold H. W. Smith, on a/c, 200 yds. Body Brussels; 100 yds. Moquette; 400 yds. Lining. (*J.*)

4. Paid Howe & Rogers cash, to apply on a/c, 500.00. (*Make this entry on the right side of the Cash Book, which credits Cash and debits Howe & Rogers. See Cash Book on pages 76 and 77.*)

5. Bought of Jas. Reed & Co., Boston, on a/c, 500 yds. Tapestry Brussels; 400 yds. Axminster; 300 yds. Wilton; 500 yds. Oil Cloth; 500 yds. Linoleum. (*J.*)

6. Received cash of H. W. Smith, on a/c, 200.00. (*Make this entry on the left side of the Cash Book.*)

8. Sold Geo. R. Strong, on a/c, 200 yds. Tapestry Brussels; 100 yds. Axminster; 100 yds. Wilton; 200 yds. Oil Cloth. (*J.*)

9. Received of H. W. Smith, on a/c, his note at 10 days, payable at Traders Bank, 200.00. (*J. and Bill Book. See form of Bill Book on page 75; also, 9–15 on page 70.*)

10. Paid Scrantom & Co.'s bill for Office Books, in cash, 25.00. (*Make the entry on the right side of the Cash Book, which credits Cash and debits Expense.*)

11. Gave Howe & Rogers our note at 20 days, payable at our office, to apply on a/c, 500.00. (*J. and B. B.*)

12. Received cash of Geo. R. Strong, on a/c, 200.00. (*C. B.*)

13. Sold Perry & Powers, on a/c, 100 yds. Moquette; 200 yds. Matting; 100 yds. Tapestry Brussels; 100 yds. Linoleum. (*J.*)

15. Paid Jas. Reed & Co. cash, on a/c, 200.00. (*C. B.*)

16. Sold Wm. Graves, on his note at 10 days, payable at Farmers Bank, with interest, 100 yds. Axminster; 100 yds. Body Brussels; 100 yds. Tapestry Brussels. (*J. and B. B.*)

17. Wm. T. Howard drew cash from the business for private use, 50.00. (*C. B.*)

18. Sold for cash, 100 yds. Matting; 50 yds. Oil Cloth. (*Make entry on left side of the Cash Book, which debits Cash and credits Merchandise.*)

19. Accepted Jas. Reed & Co.'s (Boston) draft on us, favor O. D. Harris, at 3 days' sight, payable at our office, to apply on a/c, 1200.00. (*J. and B. B.*)

20. Received cash of Geo. R. Strong, on a/c, 100.00.

" Sold Gardner & Son 100 yds. Tapestry Brussels; 300 yds. Matting; 200 yds. Linoleum. Received cash, 75.00. Balance on a/c. (*Debit Gardner & Son with the full amount of the invoice in the Journal and credit them in the Cash Book for the amount paid.*)

22. Received cash of H. W. Smith, for his note of 9th inst., due to-day, 200.00. (*C. B. Mark the note paid in B. B.*)

23. Bought of Howe & Rogers, on a/c, 400 yds. Body Brussels; 300 yds. Moquette; 200 yds. Velvet; 300 yds. Wilton; 200 yds. Axminster.

24. Paid cash for Coal, for use in store, 15.00.

24. Sold Geo. R. Strong, on a/c, 300 yds. Ingrain; 200 yds. Moquette; 100 yds. Wilton.

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER (Continued).

25. Paid our acceptance of 19th inst., favor O. D. Harris, due to-day, in cash. (*C. B.*)

26. Received of Perry & Powers, their note at 60 days, indorsed by Henry T. French, payable at Fourth National Bank, in full for invoice of the 13th inst.

27. Paid Howe & Rogers cash, on %, 500.00.

" Sold H. W. Smith, 400 yds. Moquette; 200 yds. Body Brussels; 200 yds. Linoleum. Received cash, 400.00. Balance on %.

29. Received cash of Wm. Graves, for his note of 16th inst., due to-day, and 13 days' interest on the same.

30. Gave Jas. Reed & Co. our note at 15 days, with interest, payable at our office, to apply on %, 300.00.

" Paid Student his salary for extra services for the month in cash, 100.00. (*Debit Expense.*)

INVENTORIES, SEPTEMBER 30, 18–.

RESOURCE.

MERCHANDISE.

400 yds.	Axminster,	400 yds.	Matting,
400 "	Body Brussels,	250 "	Oil Cloth,
700 "	Ingrain,	200 "	Velvet,
1600 "	Lining,	400 "	Wilton.

LIABILITY.

EXPENSE.—Rent unpaid for month of September, 100.00.

You will now balance your Cash Book (*see Cash Book illustrations on pages 76 and 77*) and post.

Post from the Journal, as heretofore, entering the explanations in the Ledger accounts, using for explanation the opposite title in the Journal entry when there is but one, and the expression "Sundries" when there is more than one, as illustrated on pages 76 and 77. Check the posting in the Journal and Cash Book, by using the Ledger page. Give Merchandise, Bills Receivable, and Bills Payable, each one-half of a page space; all other accounts, one-fourth of a page each.

In posting from the Cash Book, *credit* all items on the *left* side to the various accounts to which they belong, and *debit Cash* account with the footing of these items. To illustrate: Credit Student, credit Wm. T. Howard, credit H. W. Smith, and so on until all of the items on the left side of the Cash Book have been credited; then debit Cash account with the footing of all these items. Next *debit* all items on the right side of the Cash Book, and *credit Cash* with the footing of these items. To illustrate: Debit Howe & Rogers, debit Expense, debit Jas. Reed & Co., and so on until all the items on this side have been debited; then credit Cash account with the total of these items. As will readily be seen, the equality of the sides of the Ledger is thus preserved. The entries should be posted from the Journal and Cash Book in the order of the dates, to have them appear in the proper order in the Ledger.

After completing the posting, make a balance sheet and close the accounts showing losses and gains. Your net gain should agree with the result given below, under the price list number corresponding to your own.

NET GAIN.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
718.69	645.66	631.73	573.18	821.01	450.32	515.33	908.04	791.70	338.16

MEMORANDA OF TRANSACTIONS FOR OCTOBER.

1. Purchased of Wm. T. Howard, his interest in the business as shown by his present worth. Gave him in full payment my note at 2 mos., indorsed by C. N. Benton.

2. Sold Samuel Beach, on his note at 10 days, with interest, payable at Merchants' Bank, 200 yds. Body Brussels; 100 yds. Axminster; 100 yds. Velvet; 500 yds. Lining.

3. Received cash of H. W. Smith, on %, 300.00.

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

4. Paid note, favor Howe & Rogers, due to-day, in cash.

" Bought of Jas. Reed & Co., 400 yds. Tapestry; 300 yds. Moquette; 400 yds. Linolenm. Paid cash on above, 300.00. Balance on a/c.

Credit Jas. Reed & Co. in Journal for full amount, and debit them in Cash Book for the cash paid

6. Gave Howe & Rogers, my note at 45 days, to apply on a/c, 500.00.

7. Sold H. W. Smith, on a/c, 100 yds. Moquette; 300 yds. Ingrain; 500 yds. Lining.

8. Perry & Powers prepaid their note of 26th ult., in cash, less discount to maturity, 51 days.

NOTE.—On the *left* side of the Cash Book credit Bills Receivable, which debits Cash, and on the *right* side of the Cash Book debit Discount, which credits Cash; this leaves the net debit to Cash the difference between the two amounts, the same as though made in the ordinary Journal entry form.

9. Received of Geo. R. Strong, his note at 60 days, payable at City Bank, in full of a/c.

" Took out a Policy of Insurance on Stock, 2500.00. Paid premium on same, in cash, 50.00.

10. Received cash of Gardner & Son, on a/c, 200.00.

11. Sold Perry & Powers, on a/c, 200 yds. Tapestry Brussels; 100 yds. Axminster; 200 yds. Wilton; 150 yds. Oil Cloth.

14. Bought of Clark, Medford & Co., Philadelphia, on a/c, 300 yds. Velvet; 600 yds. Body Brussels.

15. Received cash of Samuel Beach, for his note and interest, due to-day.

16. Paid Howe & Rogers, cash, on a/c, 800.00.

17. Received of H. W. Smith, his note at 10 days', payable at Traders Bank, to apply on a/c, 300.00.

18. Paid my note, favor Jas. Reed & Co., due to-day, and interest on same, in cash.

" Paid rent of store for September and October, in cash, 200.00.

20. Accepted Jas. Reed & Co.'s draft at 3 days' sight, favor O. D. Harris, to apply on a/c, 500.00.

21. Sold Richmond & Bro., on a/c, 300 yds. Body Brussels; 200 yds. Ingrain; 200 yds. Matting.

22. Received cash of Gardner & Son, on a/c, 100.00.

24. Geo. R. Strong prepaid his note of 9th inst., in cash, less discount.

" Sold for cash 100 yds. Body Brussels.

25. Bought of Jas. Reed & Co., on a/c, 200 yds. Axminster; 500 yds. Tapestry Brussels.

26. Paid acceptance, favor O. D. Harris, due to-day, in cash.

28. Received of Richmond & Bro. (Springville), to apply on a/c, their draft in my favor, at 30 days' sight, on Chas. T. Webber, which he has accepted, payable at Corning & Co.'s Bank, 300.00.

29. Sold Gardner & Son, on a/c, 150 yds. Velvet; 100 yds. Wilton; 50 yds. Matting.

" Paid Clark, Medford & Co., cash on a/c, 600.00.

30. Prepaid my note 6th inst., favor Howe & Rogers, in cash, less discount.

" Received cash of H. W. Smith, for his note, due to-day.

31. Paid Employes' salaries in cash, 100.00.

" Store and contents were last night entirely destroyed by fire. Received cash from the Insurance Co., for the full amount of insurance on stock, 2500.00. (*Credit Mdse.*)

You will now balance your Cash Book, and post as instructed on page 73.

After completing the posting make a balance sheet and close the Ledger. Your net gain, or net loss, should agree with the result given below, under the price list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 5.*	*No. 8.*	*No. 9.*	NET LOSS.	*No. 3.*	*No. 4.*	*No. 6.*	*No. 7.*	*No. 10.*
	12.94	83.37	150.39	159.17	81.67		162.53	71.96	213.32	146.62	361.26

After completing the work of closing the Ledger hand your books to the teacher for approval.

BILLS PAYABLE.

No.	When Given.	Drawer or Endorser.	Drawee or Maker.	In whose favor.	For what given.	Where Payable.	Date Year.	Date Month.	Time.	When Due. Year.	Jan.	Feb.	Mar.	Apl.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Amount.	When and how disposed of.
1	Sept 11		Student & Co	Howe & Rogers	On acct.	Our office	18	Sept 11	20 ds.	18										4			200	
2	" 19	Jas. Fiel & Co.	"	O. D. Harris	"	"	18	" 19	3 ds.	18									25				300	Sept 25 Paid
3	" 30		"	Jas. Reed & Co.	"	"	18	" 30	10 ds.	18										13			200	

BILLS RECEIVABLE.

No.	When Rec'd.	Drawer or Endorser.	Drawee or Maker.	In whose favor.	For what received.	Where Payable.	Date Year.	Date Month.	Time.	When Due. Year.	Jan.	Feb.	Mar.	Apl.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Amount.	When and how disposed of.
1	Sept 9		H. W. Smith	Student & Co.	On acct.	Traders Bk.	18	Sept 9	10 ds.	18									22				150	
2	" 16		H. Graves	"	Mdse.	Farmers "	18	" 16	10 ds.	18									29				250	Sept. 29 Paid
3	" 26	Henry T. French	Perry & P.	"	Full of acct.	4th Nat. "	18	" 26	60 ds.	18											28		235	

September, 188

		Cash	To Sundries				
1st	1	Student	Investment	1000			
	1	W. T. Howard	Investment	1000			
6	2	H. W. Smith	On account	150			
12	2	Geo. R. Strong	On acct.	50			
18	1	Mdse	100 yds Matting 30 ¢	30			
20	4	Gardner & Son	On invoice	75			
20	2	Geo. R. Strong	On account	150			
22	3	Bills Rec'd	H. W. Smith's note paid	150			
28	2	H. W. Smith	On invoice	175			
29	3	Bills Rec'd	Wm. Graves' note paid	250			
29	4	Interest	On above		54	3030	54
						3030	54
			October, 188				
1st		Balance (black ink)	Cash on hand			1570	54
3		H. W. Smith	On account	100			
8		Bills Rec'd	Perry & P. note prepaid	235			

STUDENT.

						188 Sept.	1	Cash,	2	1000	

WM. T. HOWARD.

188 Sept.	17	Cash,	3	50		188 Sept.	1	Cash,	2	1000	

MERCHANDISE

188 Sept.	2	Howe & Rogers,	1	1030		188 Sept.	3	H. W. Smith,	1	300	
"	5	James Reed & Co.,	1	700							

HOWE & ROGERS

188 Sept.	4	Cash,	3	100		188 Sept.	2	Mdse.	1	1030	

September, 188-

		Sundries	To Cash				
Sept.	2	Howe & Rogers	On account	100			
	10	3	Expense	Office Books, Scranton & Co.	25		
	15	2	Jas. Reed & Co.	On account	200		
	17	1	W. T. Howard	On private account	50		
	24	3	Expense	Coal for store	15		
	25	3	Bills Pay.	Acceptance favor, Harris	300		
	27	2	Howe & Rogers	On acct.	730		
	30	3	Expense	Students salary	100	1520	
		Balance (nothing)	Cash on hand			1510	54
						3030	54
			October, 188-				
	4	Bills Pay.	Note favor Howe & R.	200			
	4	Jas. Reed & Co.	On invoice	300			
	8	Discount	On P. & P. note q.s.o	2			

H W. SMITH.

188 Sept.	3	Mdse.	1	300		188 Sept.	6	Cash,	2	150	
						"	9	Bills Rec.	1	150	

EXPENSE.

188 Sept.	10	Cash,	3	25							

BILLS RECEIVABLE.

188 Sept.	9	H. W. Smith,	1	150		188 Sept.	22	Cash,	2	150	

CASH.

188 Sept.	30	Sundries,	2	3030	54	188 Sept.	30	Sundries,	3	1520	

NOVEMBER AND DECEMBER.

[1] The design of this set is to illustrate the keeping of a Sales Book and Check Book, in addition to the books employed in the previous set, and also to give the pupil practice in writing a variety of papers and forms required in business transactions.

[2] The **Sales Book** is kept as a principal book, all sales of Merchandise being entered only in this book. [3] In posting from the Sales Book, each person whose name appears in it is debited with the amount of his invoice, and [4] at the end of the month, Merchandise account is credited with the total sales for the month.

[5] In the **Check Book** all transactions with the bank are recorded. [6] Entries are also made in the Cash Book for these transactions, as heretofore.

[7] Two forms for keeping the Check Book are illustrated in this set. [8] In the first form the deposits are entered on the left hand page of the stub, and the checks on the right hand page. The footings of the pages are carried forward to the end of the week or month, or until such time as the Pass Book is written up by the bank, when the balance is proved and the true balance carried forward. [9] In the second form all of the entries are made on the right hand page of the stub, the deposits as they are made being added to, and the checks as they are drawn being subtracted from, the previous balance in bank. [10] Each of the above forms possesses certain advantages over the other, [11] but for an extensive business in which a large number of checks are drawn and frequent deposits made, the first form is preferred. [12] In this set the first form is recommended.

In addition to making the entries for the transactions in the books, all of the business papers, such as invoices, letters, telegrams, notes, checks, deposit tickets, drafts, receipts, orders, etc., are to be written by the pupil, as he comes to them in the memoranda, and before making the entries in the books. Specimens of these forms will be found on the last pages of the text-book.

NOTE TO THE TEACHER.—In addition to writing the business papers and forms as outlined above, the practice work of this set may be rendered more interesting and valuable by employing imitation money and actually performing the business called for in the memoranda, more or less in detail as time and circumstances will permit.

To accomplish this it is only necessary that the teacher, or some one selected to act for him, represent the other parties to the transactions, receiving the money, papers, etc., which are presented by the pupils.

The pupil should be required to write all of the papers, those belonging to other parties as well as his own. It is desirable that the papers be written and handed in for each transaction as it is reached in the work, but this requirement may, of course, be varied to suit the convenience of the teacher.

In case the teacher receives the papers, etc., and his time is limited, it will relieve him materially to have the pupil not only write all papers for other parties, but affix their signatures as well, where signatures are required. That the pupil may not get a wrong impression regarding this act, it should be explained to him that he does it simply to relieve the teacher of this particular work, and that he could not, of course, affix such signatures if the transactions were real and the papers *bona fide*.

No books need be kept representing the other parties, unless it is so desired, the teacher simply receiving the money, papers and other documents, and examining them with reference to accuracy, correctness of form, penmanship, neatness, etc., making such criticisms and suggestions as may be needed.

The directions given in connection with the memoranda are based upon the practice work suggested above being carried out. The extent to which this shall be done or the manner of doing it may be regulated entirely by the teacher.

If it be desired to work the set by theory only, the same as in preceding sets, so much of the instructions given in connection with the memoranda as relate to transacting the business will of course be disregarded.

BUYING PRICE LISTS FOR NOVEMBER AND DECEMBER.

	No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Adz Eye Hammers,	4.75 doz.	4.60	4.55	4.65	4.50	4.60	4.55	4.75	4.60	4.50
Blacksmiths' Drills,	5.00 each	5.00	5.25	4.90	5.00	4.90	4.95	4.90	5.00	5.25
Babbit Metal,	.12½ lb.	.12	.12½	.11	.12	.11½	.12½	.12	.11	.11½
Barn Door Hangers,	2.00 pr.	1.90	1.75	1.80	1.90	1.75	2.00	1.80	1.75	1.90
Cut Nails, 8d., 100 lb. keg,	.03⅕ lb.	.03	.03⅓	.03½	.04	.03½	.03⅕	.03⅔	.03	.04
Cast Steel Axes,	10.00 doz.	9.00	9.25	9.00	9.50	9.00	9.25	9.50	10.00	9.25
Carpet Stretchers,	2.25 doz.	2.10	2.00	2.05	2.50	2.25	2.00	2.20	2.25	2.10
Copying Presses,	4.50 each	4.00	3.90	3.95	4.00	4.25	3.90	3.95	4.00	3.90
Grindstones,	1.50 each	1.40	1.50	1.40	1.35	1.45	1.50	1.40	1.45	1.35
Hand Saws, 26 in.,	15.00 doz.	14.00	13.50	14.25	14.00	13.25	13.50	14.00	14.50	15.00
Ice Cream Freezers,	4.00 each	3.75	3.60	3.50	3.60	3.75	4.00	3.60	3.75	3.50
Jack Planes,	5.00 doz.	5.00	4.90	4.85	4.75	4.80	4.90	5.00	4.95	4.80
Knives and Forks,	4.00 doz.	4.00	3.80	3.90	3.75	3.90	3.85	4.00	3.75	3.90
Mortise Locks,	2.25 doz.	2.10	2.00	2.05	2.00	2.05	2.10	2.25	2.10	2.05
Porcelain Knobs,	.75 doz.	.75	.70	.75	.65	.70	.75	.70	.75	.70
Plain Galv'd Coal Hods,	10.00 doz.	9.50	10.00	10.25	9.75	10.00	9.50	9.25	9.75	9.50
Ratchet Braces,	8.75 doz.	8.50	8.10	8.50	8.25	8.50	8.75	8.50	8.25	8.50
Rail Road Picks, 8 lb.,	6.50 doz.	6.25	6.20	6.25	6.00	6.25	6.20	6.50	6.20	6.50
Strap Hinges, 8 in.,	3.00 " pr.	2.90	2.75	3.00	2.75	2.90	3.00	2.75	2.80	2.90
Steelyards,	6.50 doz.	6.40	6.35	6.40	6.30	6.40	6.35	6.50	6.40	6.45
Try Squares, 8 in.,	3.50 doz.	3.25	3.00	3.25	3.00	3.50	3.25	3.50	3.00	3.25
Universal Clothes Wringers	4.00 each	4.25	4.00	4.10	4.00	4.25	4.10	4.50	4.25	4.50
Wrought Wrenches,	11.50 doz.	11.25	10.00	10.50	10.00	10.25	10.75	11.00	11.25	11.00
Washers, ½ in.,	.06 lb.	.05	.04½	.05½	.05	.05½	.06	.06¼	.05½	.06

SELLING PRICE LISTS FOR NOVEMBER AND DECEMBER.

	No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Adz Eye Hammers,	5.75 doz.	5.75	5.70	5.75	5.50	5.55	5.50	5.60	5.50	5.40
Blacksmiths' Drills,	6.00 each	6.25	6.10	5.80	5.90	5.75	5.80	5.75	5.90	6.00
Babbit Metal,	.15 lb.	.15	.16⅔	.14	.14½	.14	.15	.14	.13½	.14
Barn Door Hangers,	2.50 pr.	2.50	2.33⅓	2.25	2.35	2.20	2.45	2.25	2.10	2.30
Cut Nails, 8d., 100 lb. keg,	.04 lb.	.04⅛	.04½	.04	.05	.04½	.05	.05	.04	.05
Cast Steel Axes,	12.50 doz.	12.25	11.75	11.50	12.00	11.60	11.75	12.00	12.50	11.75
Carpet Stretchers,	3.00 doz.	3.10	3.25	2.75	3.00	2.90	2.75	2.95	3.00	3.15
Copying Presses,	5.50 each	5.25	5.00	4.75	4.85	5.00	4.80	4.85	4.75	4.40
Grindstones,	2.25 each	2.25	2.00	2.10	2.00	2.15	2.25	2.15	2.20	2.10
Hand Saws, 26 in.,	18.00 doz.	18.00	17.00	17.50	17.00	16.75	16.85	17.00	17.25	18.00
Ice Cream Freezers,	5.00 each	5.00	4.75	4.50	4.60	4.75	4.95	4.50	4.70	4.25
Jack Planes,	6.00 doz.	6.25	5.75	5.70	5.60	5.75	5.85	5.75	5.50	5.40
Knives and Forks,	5.00 doz.	5.25	5.20	4.80	4.75	4.85	4.80	4.90	4.75	4.80
Mortise Locks,	3.00 doz.	3.00	2.75	2.70	2.65	2.70	2.75	2.85	2.70	2.65
Porcelain Knobs,	1.25 doz.	1.30	1.25	1.20	1.15	1.20	1.25	1.20	1.25	1.15
Plain Galv'd Coal Hods,	12.50 doz.	12.25	12.00	12.50	11.75	12.25	11.50	11.00	12.00	11.75
Ratchet Braces,	10.75 doz.	10.75	10.10	10.50	10.25	10.50	10.75	10.50	10.75	10.50
Rail Road Picks, 8 lb.,	9.00 doz.	9.00	8.75	8.80	8.50	8.75	8.70	8.65	8.50	8.75
Strap Hinges, 8 in.,	4.50 " pr.	4.50	4.00	4.25	4.00	4.25	4.50	4.25	4.30	4.40
Steelyards,	8.50 doz.	8.50	8.25	8.40	8.35	8.40	8.25	8.45	8.30	8.35
Try Squares, 8 in.,	4.75 doz.	4.75	4.30	4.50	4.25	4.75	4.50	4.75	4.25	4.50
Universal Clothes Wringers	5.50 each	5.75	5.00	5.50	5.40	5.65	5.50	5.75	5.50	5.75
Wrought Wrenches,	14.75 doz.	14.75	13.50	13.75	13.50	13.25	14.00	14.25	14.50	14.00
Washers, ½ in.,	.07½ lb.	.07½	.06¼	.07	.06½	.07	.07	.07½	.07	.07½

MEMORANDA OF TRANSACTIONS FOR NOVEMBER.

1. Student and Geo. D. Whitney have this day formed a co-partnership, under the firm name of Student & Co., and have leased of H. N. Smith the store No. 1466 Main Street, at 1200.00 per year, rent payable monthly in advance, for the purpose of carrying on the Hardware business.

Articles of co-partnership made and executed this day provide as follows: The capital of the firm shall be 10000.00, of which amount each partner shall invest one-half. Each partner shall devote his entire time to the business. Neither partner shall engage in other business. Neither partner shall endorse or become surety for others. Neither partner shall withdraw from the business to exceed in amount his share of the profits for the year. The gains and losses of the business shall be shared equally.

NOTE.—A lease, and articles of co-partnership, may be drawn up by the pupil at the discretion of the teacher. For general form of Lease and Articles of Co-partnership, see Commercial Law.

The firm's resources and liabilities are as follows:

RESOURCES.

Cash paid in,	4000.00
Geo. B. Gordon, City, on account,	1600.00
Carter & Weeks, Plainfield, on account,	2500.00
A. G. Steele & Co., City, on account,	954.50
Sewell & Clark, Greenville, on account,	1050.75
Wm. Peet, City, on account,	800.00
French & French, Oakland, on account,	375.25
The Grover Mfg. Co., North Bend, on account,	1625.60

LIABILITIES.

Swift, Ennis & Co., City, on account,	918.75
A. B. Smith, Centralia, on account,	411.51
Wells & Gardner, City, on account,	575.84
D. B. Pond & Bro., Chicago, on account,	1000.00

Enter the above in Journal and Cash Book. Make the entry in the Journal according to the second form explained in Remark 1 on page 65.

Receive cash from the teacher for the amount of the cash investment.

You may, in this set, post the transactions at the end of each day's business. In opening personal accounts, give the place of residence; the State will be added by the pupil. The initials of the book from which the entry is posted are to be used in the Ledger instead of a complete explanation. Thus, if the entry comes from the Sales Book, enter in the explanation column, S. B.; if from the Cash Book, C. B.; and if from the Journal, J. This plan will materially shorten the work of posting, and generally meet all requirements.

Give Merchandise, Expense, Interest and Discount, Collection and Exchange, Bills Rec. and Bills Pay. each one-half page space, and all other accounts each one-fourth of a page space.

Open an account at Flour City Bank, and deposit cash, 2000.00. (*Ck. B.*)

Write a deposit ticket (see form, page 88). Enter the deposit on left side of stub in the Ck. B. (see form, page 87).

Take the money, deposit ticket and your pass book to the bank (or teacher) and receive credit.

Buy of Hemingway & Selden, City, on account, 60 da., 2% 10 da., 20 doz. C. S. Axes; 1000 lbs. B. Metal; 4 doz. Hand Saws; 5 doz. W. Wrenches; 10 I. C. Freezers; 6 doz. Steelyards; 20 doz. Porc. Knobs; 20 doz. Knives and Forks; 10 U. C. Wringers; 200 lbs. Washers; 10 doz. Adz Eye Hammers. (*J.*)

Make an invoice of above and submit it to the teacher for approval. After making the entry, fold and file the invoice for reference and as a voucher. The items need not necessarily be entered in the Journal; simply write in connection with the journal entry for explanation, "Invoice No. 1, Nov. 1, 189–." The terms of the Invoice are 60 days; if paid within 10 days, 2% discount on the amount of the invoice will be allowed.

Pay H. N. Smith one month's rent of store, in advance, by check (*C. B. and Ck. B.*).

Write the check (see check book, page 87), and deliver it; also write a receipt, which you will properly file and preserve as a voucher.

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

Sell E. Langworthy, Marcellus, on acct., 10 days, 2 doz. W. Wrenches; 3 doz. A. E. Hammers; 4 I. C. Freezers; 2 doz. C. S. Axes; 200 lbs. B. Metal (*S. B.*).

Make entry in Sales Book (see form of S. B. page 88), and write and deliver the invoice.

2. Sell Barber & Swift, Georgetown, on acct., 10 days, 1 doz. Hand Saws; 5 doz. Knives and Forks; 5 doz. Porc. Knobs; 1 doz. Steelyards; 100 lbs. B. Metal; 4 U. C. Wringers.

Proceed in same manner as with sale to E. Langworthy, 1st inst. It is not thought necessary to give directions for performing the practice work when the transaction is similar to those previously explained.

Sell L. B. Mason, City, on acct., 10 days, 2 doz. A. E. Hammers; 2 doz. C. S. Axes; 3 I. C. Freezers; 50 lbs. Washers.

Buy of Briggs & Son, Office Safe, and pay for same by check on F. C. Bank, 225.00 (*C. B. & Ck. B.*).

After making the proper entries (open Office Fixtures acct.) deliver the check, and file the receipted bill of B. & Son as a voucher.

Order by telegraph of Pratt, Conway & Mills, Pittsburg, 200 kegs 8d. Cut Nails, to be shipped immediately by fast freight (*Memorandum*).

Write the telegram and hand it in. Limit the number of words in the message to ten, exclusive of address and signature.

Give Wells & Gardner check to apply on account, 275.84 (*C. B. & Ck. B.*)

Draw the check and hand it in. Take a receipt, and file as a voucher.

Receive of Wm. Peet, his check on Traders Bank to apply on account, 300.00 (*C. B.*)

Write the check and give a receipt.

Deposit in F. C. Bank 500.00 in currency, and Wm. Peet's check (*Ck. B.*)

Make the deposit ticket, giving the items; also enter the items on the stub of Ck. B. (see form page 87).

3. Receive by Commercial Freight Line from Hart, Bliven & Meed, 494 and 496 Broadway, New York, goods as per invoice dated Nov. 1, 189–. Terms, 90 days, 2% 30 days, 3% 10 days, 25 doz. Carpet Stretchers; 15 doz. Jack Planes; 10 doz. R. R. Picks; 10 doz. Try Squares; 25 doz. Mortise Locks; 15 Copying Presses; 5 doz. Ratchet Braces; 10 pr. B. D. Hangers; 5 doz. P. G. Coal Hods. (*J.*)

See instructions under bill bought of Hemingway & Selden, 1st inst.

Sell French & French, Oakland, on acct., 10 days, 2 pr. B. D. Hangers; 5 Copying Presses; 2 doz. Jack Planes; 5 doz. Mortise Locks; 2 doz. R. R. Picks; 3 doz. Try Squares; 200 lbs. B. Metal.

Pay Dran & Derwent's bill for stationery supplied for office use in cash, 27.50 (*C. B. Expense acct.*).

Accept, payable at F. C. Bank, D. B. Pond & Bro.'s draft, dated Nov. 2, at 3 days' sight, favor Charles Green, 400.00 (*J. & B. B.*)

Write the draft, including acceptance, and, after making the proper entries, hand it in.

Receive of G. B. Gordon, on acct., his check on Merchants Bank, 600.00.

Sell E. Langworthy, 10 days, 2 doz. Ratchet Braces; 5 doz. Carpet Stretchers; 3 doz. R. R. Picks; 2 doz. Try Squares; 3 Copying Presses.

Sell L. B. Mason, 10 days, 1 doz. Hand Saws; 3 Copying Presses; 5 doz. Knives and Forks.

Receive of Carter & Weeks, on acct., their check on First National Bank of Plainfield, $500.00.

Deposit Currency, 300.00; also the checks of Gordon and Carter & Weeks. Bank charges $\frac{1}{10}\%$ collection on C. & Ws. check (*C. B. & Ck. B.*).

Deduct the $\frac{1}{10}\%$ collection from the footing of the deposit ticket. Remember to copy the ticket on the left stub of Ck. B. (See form page 87.) Debit Collection in the C. B.

5. Order of D. B. Pond & Bro., Chicago, to be shipped via C. N. Line, 100 Grindstones; 50 Blacksmiths' Drills (*Memorandum*).

Write a letter ordering the above. Enclose it in an envelope properly directed and hand it in. No entry to be made until goods are received.

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

Receive cash of Barber & Swift, in full of Invoice, 2nd inst.

Sell Sewell & Clark, Greenville, on acct., 10 days, 2 doz. R. R. Picks; 5 doz. Mortise Locks; 5 doz. C. S. Axes; 3 pr. B. D. Hangers; 5 doz. Porc. Knobs; 5 doz. Knives and Forks; 5 doz. Carpet Stretchers.

Receive of A. G. Steele & Co. their note at 60 days, payable at Merchants Bank, to apply on acct., 500.00 (*J. & B. B.*).

Write the note and make the proper entries in J. & B. B.

Give Hemingway & Selden a check in full of Invoice, 1st inst., less 2% (*C. B.*)

Debit H. & S. on right side of C. B. for the full amount of the Invoice, and credit Mdse. on the left side for the 2% allowance.

8. Receive the nails ordered of Pratt, Conway & Mills, 2nd inst. Invoice dated Nov. 2nd. Terms cash, in 10 days.

Receive cash of E. Langworthy, on acct., 50.00.

Draw on Carter & Weeks, at sight, for 500.00, your favor, to apply on acct., and leave the draft at F. C. Bank for collection (*Memorandum*).

Write the draft, endorse it in blank, and hand it in.

Sell Daniels & Baker, Cedar Grove, on acct., 10 days, 25 kegs Cut Nails; 3 doz. Jack Planes; 3 doz. C. S. Axes; 5 doz. Mortise Locks; 200 lbs. B. Metal.

9. Your acceptance of 3rd inst., due to-day, has been presented at F. C. Bank, paid and charged to your account. (*C. B. and Ck. B.*)

Enter the acceptance on the right-hand stub of the Ck. B. to be added in with the checks, thus crediting the bank the same as though a check had been drawn.

Receive of French & French their check on Farmers' Bank of Oakland on account, 375.25.

Deposit Cash in F. C. Bank, 200.00. Also French & French's check. Bank charges $\frac{1}{10}\%$ collection on the check.

10. Receive by Commercial Freight Line, from Hart, Bliven & Mead, goods as per Invoice dated Nov. 8, terms, 90 days, 2% 30 days, 3% 10 days, 25 doz. pairs Strap Hinges: 10 U. C. Wringers; 10 doz. A. E. Hammers; 5 doz. H. Saws; 15 Copying Presses; 10 doz. W. Wrenches; 5 doz. Ratchet Braces; 20 doz. Knives and Forks; 10 I. C. Freezers; 20 pr. B. D. Hangers; 10 doz. Steelyards; 5 doz. C. S. Axes.

Receive of Grover Mfg. Co., to apply on acct., their draft for 1000.00, dated Nov. 8, at 15 days' sight, on Colton & Reese, this city, which they have accepted this day, payable at F. C. Bank. Endorse the acceptance, and leave it at F. C. Bank for collection.

12. Buy at F. C. Bank by check, at $\frac{1}{4}\%$ exchange, a draft on Exchange Nat. Bank, New York, and remit the same to Hart, Bliven & Mead, in full of Invoice Mdse, received 3rd inst., less 3%. (*C. B. and Ck. B.*)

For form of filling out this check, see Ck. No. 3, page 87. Write the draft, (see form on page 60) endorse it in full to H. B. & M., and write a letter, enclosing it to them. Debit H. B. & M. for full amount of Invoice; credit Mdse. for the 3% allowance; debit Exchange for the bank's charges.

13. Receive of French & French, their check on Farmers Bank of Oakland for Invoice, 3rd inst.

Receive of L. B. Mason, his check on Traders Bank for Invoice, 3rd inst.

Sell C. B. Shafer, Gasport, 3 doz. C. S. Axes; 2 doz. P. G. Coal Hods; 3 doz. W. Wrenches; 4 doz. Ratchet Braces; 2 doz. Jack Planes; 5 Copying Presses. Receive cash, 75.00, balance on acct., 10 days.

Deposit Currency, 100.00, also checks of French & French and L. B. Mason; bank deducts $\frac{1}{10}\%$ for F. & F.'s check.

15. Pay Hamilton & Groves' bill for Office Desk, by check, 100.00.

Receive the goods ordered of D. B. Pond & Bro., 5th inst. Invoice is dated Nov. 8, 30 days.

Sell E. Langworthy, on acct., 10 days, 25 kegs Cut Nails; 5 B. S. Drills; 5 doz. pr. Strap Hinges; 2 doz. P. G. Coal Hods; 50 lbs. Washers.

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

Receive of Sewell & Clark their check on First Nat. Bank of Greenville, in full for invoice of 5th inst.

Deposit in F. C. Bank Sewell & Clark's check. Bank charges $\frac{1}{10}\%$ collection on check.

17. Pay A. B. Smith's sight draft on you, dated Nov. 15th, favor A. M. Purdy & Co., 200.00, by check.

Receive credit at F. C. Bank, for the draft on Carter & Weeks, left for collection 8th inst., less bank's charges, $\frac{1}{4}\%$.

Take your pass-book and have the proceeds entered in it to your credit.

18. Buy a draft on New York at F. C. Bank, by check, at $\frac{1}{4}\%$ exchange, and remit it to Pratt, C. & M., in full of Invoice of Mdse. received 8th inst.

See instructions for remitting to Hart, B. & M., 12th inst. In this case, however, there is no discount allowed.

Receive of Daniels & Baker, their check on Citizens Bank, Cedar Grove, for Invoice 8th inst.

Sell Barber & Swift, for cash, 50 kegs Cut Nails.

Debit B. & S. in S. B. and credit them in C. B.

Deposit currency, $300.00, and Daniels & Baker's check. Bank charges, $\frac{1}{10}\%$ collection on the check.

20. Geo. D. Whitney draws from the business for individual use, by check, 350.00.

Charge this to "Geo. D. Whitney, Private Account," and open such an account in the Ledger instead of posting it to his investment account.

Remit Hart, Bliven & Mead a draft on New York for Invoice of goods received 10th inst., which you will buy at F. C. Bank by check. Exchange, $\frac{1}{4}\%$.

Follow the instructions given for remittance made them on the 12th inst. The discount in this case is 2%.

22. Discount, at F. C. Bank, A. G. Steele & Co.'s note, received 5th inst.; receive credit for the proceeds. (*C. B. & B. B.*)

Endorse the note in blank and receive credit for the proceeds in your pass book. Make proper memorandum in the B. B.

23. Pay Wells & Gardner, cash in full of account.

Sell French & French, on acct., 10 days, 5 B. S. Drills; 10 Grindstones; 5 doz. Porc. Knobs; 3 doz. W. Wrenches; 2 doz. C. S. Axes; 100 lbs. B. Metal; 5 doz. A. E. Hammers; 4 Copying Presses.

25. Accept, payable at F. C. Bank, D. B. Pond & Bro.'s draft, dated Nov. 22, at 3 days' sight, favor Charles Green, 600.00.

Pay Barton & Co.'s bill for Coal for use of store, in cash, 50.00.

26. Student takes from the stock for his individual use, to be charged to him at cost, 1 I. C. Freezer; 1 doz. Knives and Forks; 1 U. C. Wringer. (Debit *Student, Private Account.*)

Make a statement of E. Langworthy's account. Write him a letter to the effect that the account is considerably overdue, and urge immediate payment. State that if not paid before Dec. 1st you will draw at sight for the balance due.

28. Receive cash of A. G. Steele & Co. to balance account.

Deposit cash in F. C. Bank, 400.00; also receive credit for the acceptance of Colton & Reese, left the 10th inst. for collection.

This paper being payable in the city, the bank makes no charge for collection.

29. Write a letter to Hart, B. & Mead, ordering the following goods to be shipped by Commercial F. F. Line: 10 doz. P. G. Coal Hods; 5 doz. C. S. Axes; 10 doz. Hand Saws; 15 doz. Porc. Knobs; 10 doz. R. Braces; 5 doz. R. R. Picks; 5 doz. Try Squares; 5 doz. W. Wrenches; 200 lbs. Washers. Inform H., B. & M. that many of the Coal Hods in the previous invoice were imperfect, and request an allowance of 10.00.

Pay freight bills for the month, in cash, 35.50. (*Debit Mdse.*)

30. Pay salaries of Employes for the month, in cash, 100.00.

You will now balance the Cash Book and Check Book (*see form of Ck. Bk. page 87*), foot the Sales Book, complete the posting, and take a trial balance. Post the footing of the Sales Book as instructed on page 78. *Do not open a cash account in the Ledger, but carry to the trial balance the difference between the sides of the Cash Book, that is, the cash balance. In taking the trial balance for this set, use the differences of the accounts instead of the footings.*

NOTE TO THE STUDENT.—After completing the posting, if it is desired, you can test the accuracy of your extensions of merchandise bought and sold by comparing the footings of your Merchandise account with the figures given below under the list number corresponding to your own. The *upper* amount is the total of merchandise bought, and the *lower* amount the total of merchandise sold, for the month.

MERCHANDISE BOUGHT AND SOLD.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
2984.00	2861.65	2896.77	2924.65	3020.55	2938.40	2931.77	3008.58	2868.90	3066.70
1711.66	1722.67	1715.97	1632.40	1731.88	1686.86	1750.95	1747.97	1649.40	1729.88

You can also test the correctness of your Cash Book and Check Book entries, and the cash on hand, by comparing the balances of those books, and the cash on hand, with the amounts given below, under the list number corresponding to your own. The *upper* amount is the balance in bank; the *lower* amount is the cash on hand (in safe and in drawer), and the sum of the two amounts is the balance of cash, as shown by the difference between the sides of the Cash Book.

CASH IN BANK AND ON HAND.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
3939.13	4053.30	4039.01	3948.03	3882.91	3957.86	3989.08	3901.01	4019.76	3845.00
561.25	570.00	585.67	560.40	607.45	583.50	608.85	609.45	557.55	609.60

MEMORANDA OF TRANSACTIONS FOR DECEMBER.

1. Receive of C. B. Shafer, his check on East Side Banking Co., City, to balance account.

   Your acceptance, due to-day, has been paid at F. C. Bank and charged in account.

   Sell Daniels & Baker, at 10 days, 5 doz. Steelyards; 10 Grindstones; 2 doz. C. S. Axes; 5 doz. M. Locks; 5 U. C. Wringers.

   Receive cash of L. B. Mason, in full of account.

   Deposit cash, 300.00, and Shafer's check.

   Draw on E. Langworthy at sight, in full of his account as per statement and letter of advice of 26 ult.

   Leave the draft for collection.

2. Receive a letter from Hart, Bliven & Mead, acknowledging receipt of your order of 29th ult., and stating that it will receive prompt attention; they express regret that the Coal Hods were not satisfactory, and inform you that the reduction asked for has been allowed and the amount placed to your credit.

   Debit H., B. & M., and credit Mdse. for the amount allowed. Write the above letter and present it to the teacher for approval.

3. Receive of Sewell & Clark their note dated Nov. 15th, at 60 days, payable at First Nat. Bank, Greenville, in full of their account, to which amount they add 63 days' interest.

   Give H. N. Smith a check for one month's rent of store, in advance.

   Order by letter of Pratt, Conway & Mills, Pittsburg, to be shipped by freight, 100 kegs Cut Nails. (*Memorandum.*)

4. Receive the goods ordered of Hart, B. & M., 29th ult. Invoice dated Dec. 1st, at 90 days; 2% 60 days; 3% 10 days.

   Sell Barber & Swift, at 10 days, 5 doz. C. S. Axes; 10 doz. P. Knobs; 100 lbs. Washers; 4 doz. R. Braces; 5 B. Drills.

6. Sell L. B. Mason, at 10 days, 5 doz. Knives and Forks; 10 kegs Cut Nails; 50 lbs. B. Metal; 3 doz. R. R. Picks; 5 doz. pr. Strap Hinges; 2 doz. A. E. Hammers.

   Receive of Wm. Peet his check on Traders Bank, to balance account; also receive of Geo. B. Gordon his check on Merchants Bank, to apply on account, 400.00.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Deposit the checks received of Wm. Peet and Geo. B. Gordon.

Give Swift, Ennis & Co. your check to apply on account, 500.00.

Receive cash of French & French in full of invoice, Nov. 23.

8. Sell Oliver & Brayton, City, at 10 days, 3 Copying Presses, 2 doz. P. G. Coal Hods, 2 doz. Try Squares, 50 lbs. Washers, 3 doz. J. Planes, 2 U. C. Wringers.

10. Accept, payable at F. C. Bank, D. B. Pond & Bro.'s draft at 30 days' sight, favor themselves, in full of invoice of Nov. 15.

Deposit cash in F. City Bank, 250.00.

Pay November gas bill, in cash, 5.25.

11. Accept, payable at F. C. Bank, A. B. Smith's draft dated Dec. 8th, at five days' sight, favor John H. Boyd, in full of account.

Receive, via P. & W. R. R., from Pratt, Conway & Mills, 100 kegs Cut Nails. Invoice is dated Dec. 6th, at 10 days.

Receive cash of Geo. B. Gordon, on account, 200.00.

13. Receive credit at F. C. Bank for draft on E. Langworthy, left 1st instant, less charges for collection, $\frac{1}{4}\%$.

Receive of Daniels & Baker, their check on Citizens Bank, Cedar Grove, in full of invoice, 1st inst.

Deposit cash, 200.00, and Daniels & Baker's check. Bank charges, collection on check, $\frac{1}{10}\%$.

Buy a New York draft at F. C. Bank, by check, at $\frac{1}{4}\%$, exchange and remit to Hart, B. & M., in full of invoice received 4th inst., less amount charged to their account for allowance on Coal Hods.

15. Received cash of Barber & Swift, in full of their invoice of 4th inst.

18. Sell Sewell & Clark, at 10 days, 5 doz. R. Braces; 5 doz. Knives and Forks; 50 lbs. Washers; 3 Copying Presses; 25 kegs Cut Nails; 3 B. Drills; 10 Grindstones; 5 doz. pr. Strap Hinges.

Receive cash of L. B. Mason, in full of invoice of 6th inst.

Sell A. G. Steele & Co., City, 5 doz. P. Knobs; 5 doz. C. Stretchers; 10 pr. B. D. Hangers; 3 I. C. Freezers; 5 doz. W. Wrenches. Receive cash, 50.00; balance 10 days on acct.

19. Your acceptance favor J. H. Boyd, due to-day, has been paid and charged to your account at F. C. Bank.

20. Receive cash of Oliver & Brayton, in full of invoice 8th inst.

Deposit cash in F. C. Bank, 300.00.

Student draws from the business for his individual use, by check on F. C. Bank, 300.00.

21. Buy of Hemingway & Selden, 60 days, 2% 10 days, 10 doz. Hand Saws; 10 doz. W. Wrenches; 5 doz. C. S. Axes; 10 doz. Knives and Forks; 20 doz. M. Locks.

23. Draw on Carter & Weeks at sight, for 500.00 in your favor, and leave the draft for collection.

24. Discount at F. C. Bank, Sewell & Clark's note received 3rd inst., and have the proceeds placed to your credit. The bank charges $\frac{1}{4}\%$ collection in addition to the discount.

Pay Pratt, Conway & Mills' sight draft on you for invoice received 11th inst., by check on F. C. Bank.

26. Pay Freight Bills for the month, in cash, 21.60.

27. Sell E. Langworthy, at 10 days, 5 doz. pr. S. Hinges; 5 doz. W. Wrenches; 10 doz. M. Locks; 5 pr. B. D. Hangers; 5 doz. J. Planes; 1 Copying Press; 5 doz. C. Stretchers; 50 lbs. Washers.

Receive of Carter & Weeks their note dated Dec. 24th, at 30 days, payable at First Nat. Bank, Plainfield, to balance account, 1000.00.

28. Receive cash of A. G. Steele & Co. for balance due on invoice 18th inst.

29. Receive credit at F. C. Bank for draft on Carter & Weeks, left 23d inst., less collection, $\frac{1}{4}\%$.

30. Give Hemingway & Selden check in full of invoice 21st inst,, less 2%.

Pay salaries of Employes for the month, in cash, 100.00.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Receive Sewell & Clark's check on First Nat. Bank of Greenville, in full for invoice of 18th inst.

Deposit Sewell & C.'s check and all the cash on hand. Bank charges, $\frac{1}{10}\%$ collection on the check.

Leave your pass book to be written up.

31. The bank returns your pass book written up and balanced. On proving same with your check book, you find the balances to agree, allowing for the check given H. & S., 30th inst., which was not in when the pass book was balanced.

Close Student, Private Account, and Geo. D. Whitney, Private Account, into Student account and Geo. D. Whitney account.

INVENTORIES, DEC. 31, 18–.

8 doz A. E. Hammers,	70 Grindstones,	5 doz. R. R. Picks,
32 B. Drills,	27 doz. Hand Saws,	5 doz. pr. Strap Hinges,
150 lb. B. Metal,	9 I. C. Freezers,	10 doz. Steelyards,
10 pr. B. D. Hangers,	24 doz. Knives and Forks,	8 doz. Try Squares,
165 kg. (16500 lb.) Cut Nails,	15 doz. M. Locks,	8 U. C. Wringers,
11 doz. C. S. Axes,	5 doz. P. Knobs,	12 doz. W. Wrenches,
5 doz. Carpet Stretchers,	9 doz. P. G. Coal Hods,	50 lb. Washers.
3 Copying Presses,	5 doz. R. Braces,	

OFFICE FIXTURES. — Office safe, 225.00; office desk, 100.00; total, 325.00.

You will now balance the Cash Book, foot the Sales Book and complete the posting, after which *make a balance sheet and close the Ledger.*

Your net gain should agree with the result given below, under the price list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	109.11	226.61	168.71	34.28	97.96	96.59	195.06	132.84	99.74	79.28

After completing the work of closing the Ledger hand your books, together with all of the business papers involved in the foregoing set, to the teacher for inspection, and prepare for an examination on the work passed over. Questions for such examination will be found below.

MISCELLANEOUS QUESTIONS.

[1] From what does Double Entry Book-keeping take its name? [2] How are you enabled to decide to which of the two general classes of accounts used in double entry any particular account belongs? [3] What title may be used instead of the proprietor's name? [4] Mention three accounts that you can always tell which side should be greater, if there is any difference. [5] To which of the two general classes of accounts does a Personal account belong? [6] What circumstance might arise to place it in the other class? [7] Why is it necessary that Bills Payable and Bill Receivable should always be debited and credited with their *face* value? [8] Mention some of the errors which will not affect the equality of the Ledger. [9] In case the Trial Balance does not prove, give the short tests to be applied before proceeding to examine the posting. [10] When the check of another person is received, how is it journalized? [11] Give an example of an inventory showing a liability. [12] Give the two ways of finding the Present Worth in double entry. [13] What is meant by Insolvency? [14] What is the object of closing accounts showing losses and gains? [15] In closing an account, why is the equality of the Ledger not affected? [16] What is meant by the acceptance of a draft? [17] Give the general rule for journalizing drafts when drawn on account. [18] What journal entry is made when the proprietor commences business with both Resources and Liabilities? [19] In closing an account having a resource inventory, why is it necessary to credit the account with the inventory before it can be closed? [20] After the account has been closed, why must the inventory be carried below the rulings? [21] Why is the loss or gain not carried below the rulings? [22] When are personal accounts usually closed? [23] Do errors in journalizing affect the equality of the Ledger? [24] What advantage is obtained by using the Cash Book as a principal book? [25] How is the work of posting from the Cash Book performed? [26] What advantage is obtained by using the Sales Book as a principal book? [27] How are transactions with the bank treated when no bank account is kept in the Ledger, and how are the entries made for such transactions? [28] How is the Check Book balanced and proved when the Pass Book is written up? [29] How is the Cash Book balanced when there is cash both in the safe and in the bank?

LEFT-HAND PAGE STUB. (Bank Dr.)

1870		Dep.			
Apr	1	Cy		100	
		Dep.			
	10	Cy	150		
		Traders	310		
				460	
		Dep.			
"	12	Cy	350		
		Merchants Ch.			
		Plainfield	50		
			400		
		Coll.	15		
				1115	75
		Coll.		11	75
"		Carter & Weeks,		18	75
		Dep.			
	20	Cy	235 10		
		Oakland	175 15		
		Plainfield	200 40		
			611 65		
		Coll	12		
				623	25
		Disct			
"	"	C. Dunning's note,		15	12
		PROOF.		3918	65
		Total Deposits.		3918	65
		Checks,		636	62
		True Bk Balance.		3282	03
		(Red ink)			
		Checks Out.			
		No. 2,		4	37
		Bal. per Pass Bk.		3278	40
1870		(Black ink)			
May	1	True Balance,		338	13

Form of proving and balancing check book when pass book is written up.

RIGHT-HAND PAGE STUB. (Bank Cr.)

No. 1

Date, April 1, '70.

To C. B Dunning

For Rent for April

Amount, $ 125

No. 2.

Date, April 2, '70

To Edmands & Spencer.

For Inv Apr 30, less 3%

Amount, $ 94 37

Apr 2 Cr accept J & B 315

No. 3.

Date, April 30, '70.

To N. C. Bank

For N. Y. draft & exch

Amount, $ 100 25

686 62

(DETACHABLE CHECKS.)

No. 1 Plymouth, Minn., April 1, 1870

FLOUR CITY BANK

OF PLYMOUTH.

Pay to C. B Dunning or order,

One Hundred Twenty-five 100 Dollars,

in College Currency.

$ 125 00/100 Student & Co.

No. 2 Plymouth, Minn., April 2, 1870

FLOUR CITY BANK

OF PLYMOUTH.

Pay to Edmands & Spencer or order,

Ninety-six 100 Dollars,

in College Currency.

$ 94 37/100 Student & Co.

No. 3 Plymouth, Minn., April 30, 1870

FLOUR CITY BANK

OF PLYMOUTH.

Pay to N. Y. draft & exchange 25c or

One Hundred 25/100 Dollars,

in College Currency.

$ 100 25/100 Student & Co.

SALES BOOK.

APRIL 2, 189–.

L. F.						
3	W. Barnes, Madison, N. Y.					
	2 doz. Carpet Stretchers,	3.	6			
	10 Grindstones,	2.50	25			
	2 doz. C. S. Augers,	7.25	14	50		
	25 Kegs Cut Nails, 2500 lbs.	4c.	100		145	50
	"					
3	R. C. Smith, City.					
	3 U. Clothes Wringers,	6.25	18	75		
	5 Grindstones,	2.50	12	50		
	1 doz. Steelyards,	10.50	10	50	41	75
	5.					
4	Brown & Martin, Marion, Ohio.					
	10 B. Drills,	7.25	72	50		
	5 doz. P. G. Coal Hods,	15.	75			
	2 " C. S. Augers,	7.25	14	50		
	3 " W. Wrenches,	14.75	44	25		
	7 " Carpet Stretchers,	3.00	21		227	25
	6.					
4	B. R. Jones, Albion, Pa.					
	10 Kegs Cut Nails, 1000 lbs.,	4c.	40			
	2 U. Clothes Wringers,	6.25	12	50		
	3 doz. C. S. Augers,	7.25	21	75		
	7 " Carpet Stretchers,	3.	21			
	2 " W. Wrenches,	14.75	29	50		
	10 " C. S. Axes,	15.	150		274	75
	Forward,				689	25

CHECK STUB (second form).

1890.
Nov. 1. Deposited, 4000

No. 1.
Date, Nov 4.
To Briggs & Son
For Office Safe
Amt. 225
3775

Nov. 11. Deposited. 300
4075

No. 2.
Date, Nov 6.
To Geo. D. Whitney
For Private Seal
Amt. 200
3875

Nov 15, our acceptance, favor
E. C. & Co., paid, 300
Forward 3575

FORM OF DEPOSIT TICKET.

DEPOSITED BY

Student & Co.

IN THE

FLOUR CITY BANK,

Plymouth, Minn., *Apr. 23,* 1890.

Currency, - - - - -	350	
Check, *Merchants,*	600	
Plainfield,	250	
	1200	
Coll.		25
	1199	75

SINGLE ENTRY.

[1] The distinguishing feature of single Entry book-keeping is, that only Personal accounts are kept in the Ledger.

[2] This system of book-keeping contemplates such a record, or the filing of such documents for reference only, as will enable the proprietor to determine at any time the Resources and Liabilities of his business, which cannot be found by taking an inventory.

[3] For this purpose the practice is to journalize and post personal accounts only. Cash receipts and payments are entered in the Cash Book, and Bills Receivable and Bills Payable in the Bill Book.

[4] It is sometimes found necessary to employ additional books of record, the number and character depending upon the nature and extent of the information which it is desired to preserve: as, Order Book, Invoice Book, Sales Book, etc.

[5] Since no accounts showing gains and losses are kept in Single Entry, it follows that an itemized statement of the gains and losses of the business cannot be obtained.

[6] The Net Gain or Net Loss of the business can be determined, however, in the following manner. First ascertain the Present Worth, by finding the difference between the Resources and Liabilities, and then compare it with the Investment.

[7] If the present worth is greater than the investment, the difference shows a net gain: if less, a net loss.

The following sets are designed to illustrate book-keeping by Single Entry, also changing Single Entry books to Double Entry. The books to be used are Journal, Ledger, Cash Book and Bill Book. The form of Journal is illustrated on page 82. The Bill Book is to be kept in the form used heretofore, and the Cash Book as illustrated on page 89.

January 1, 18–

Student	Cr.			3225	
Commenced business with the following Resources:					
Store and Lot		2500			
Horse and Wagon,		225			
Cash on hand.		500			
Smith Perkins & Co.	Cr.			787	50
Bot Mdse. on acct, per Invoice No. 1,					
A. Thompson, Aurora,	Dr.			84	
2 ch. J. Tea, 70 lbs.,	70¢	49			
2 " B " 70 lbs.,	50¢	35			
2					
Mrs. Eliza Smith, 27 Main St.,	Dr.			2	51
10 lbs. A Sugar,	11¢	1	10		
" J. Tea,			35		
2 " J. Coffee,	28¢		56		
2					
Smith, Perkins & Co.	Cr.			256	50
Bot Mdse. on acct, Invoice, No. 2					
2					
Wm. Johnson, 144 Lyell Ave.,	Dr.			1	57
4½ lbs. Mackerel,	2¢		54		
1 " B. Tea,			55		
2 " B Coffee,	24¢		48		
3					
Smith, Perkins & Co.	Dr.			300	
Note on acct, per S P B,					
3					
A. Thompson,	Cr.			15	
Cash to apply on acct					

JANUARY 1, 188–.

Commence business with the following resources: Store and Lot valued at 2500.00; Horse and Wagon valued at 225.00; Cash, 500.00. (*Enter in Journal and Cash Book; see form of Journal on page 82, and form of Cash Book on page 89.*)

"

Buy of Smith, Perkins & Co., City, on a/c, at 15 days, 10 bbls. A Sugar, 1250 lbs., @ 10c.; 10 ch. Japan Tea, 350 lbs., @ 60c.; 10 ch. Black Tea, 350 lbs., @ 45c.; 5 half bbls. Mackerel, @ 4.00; 10 mats Java Coffee, 1250 lbs., @ 22c. (*Enter in J.; see page 82.*)

NOTE.—It is unnecessary to enter the items in the Journal, the Invoice itself being placed on file for reference.

"

Sell A. Thompson, Aurora, on a/c, 2 ch. J. Tea, 70 lbs., @ 70c.; 2 ch. B. Tea, 70 lbs., @ 50c. (*J.; see form on page 82.*)

"

Cash sales, per Cash Drawer, 175.38. (*C. B.; see 3, page 81.*)

2.

Sell Mrs. Eliza Smith, 27 Main St., on a/c, 10 lbs. A Sugar, @ 11c.; 1 lb. J. Tea, @ 85c.; 2 lbs. J. Coffee, @ 28c. (*J.*)

"

Buy of Smith, Perkins & Co., on a/c, 10 bbls. Brown Sugar, 1250 lbs., @ 9c.; 10 sacks Rio Coffee, 800 lbs., @ 18c.

"

Sell Wm. Johnson, 144 Lyell Ave., on a/c, 4½ lbs. Mackerel, @ 12c.; 1 lb. B. Tea, 55c.; 2 lbs. Rio Coffee, @ 24c.

3.

Give Smith, Perkins & Co., your note at 10 days, payable at College Bank, to apply on a/c, 300.00. (*J. and B. B.; see 3, page 81.*)

NOTE.—Before entering this note, draw a red line across both pages in the Bill Book, below the last entry, to separate this from the previous sets.

"

Receive cash of A. Thompson, on a/c, 15.00. (*J. and C. B.*)

"

Buy of Smith, Perkins & Co., on a/c, 12 doz. Brooms, @ 2.25; 4 doz. Wood Pails, @ 2.00.

"

Sell James Jamieson, 27 Broadway, on a/c, 25 lbs. A Sugar, @ 10c.; 4 lbs. J. Tea, @ 80c.; 2 lbs. Rio Coffee, @ 24c.

5.

Pay Clerk cash, to apply on Salary, 5.00. (*C. B.*)

"

Cash sales, per Cash Drawer, 246.75. (*C. B.*)

6.

Sell Mrs. Eliza Smith, on a/c, 10 lbs. B. Sugar, @ 10c.; 4¼ lbs. Mackerel, @ 12c.; 2 Wood Pails, @ 25c.

"

Receive cash of Wm. Johnson, 3.00, and of James Jamieson, 5.00, on a/c. (*J. and C. B.*)

7.

Buy of H. Gordon & Co., City, on your note at 20 days, payable at College Bank, 2 bbls. A Sugar, 250 lbs., @ 10c.; 2 bbls. Brown Sugar, 250 lbs., @ 8½c.; 1 ch. Japan Tea, 35 lbs., @ 55c. (*B. B.; see 3, page 81; also see note below.*)

NOTE.—No entry is to be made in the Journal, because your indebtedness is not to Gordon & Co. personally, but in the form of Bills Payable, and is shown by the Bill Book.

"

Sell Mrs. Eliza Smith, on a/c, 2 Wood Pails, @ 22c.; 1 Broom, 25c.; 1 lb. Rio Coffee, 24c.

7.

Cash sales for the day, per Cash Drawer, 127.64.

8.

Received of Alex. Thompson, his note at 3 days, payable at Traders' Bank, to apply on %, 25.00. (*J. and B. B.*)

NOTE.—A good rule for the student, who is familiar with double entry, to use in journalizing by single entry, is, first to decide what journal entry would be made for the transaction by the *double entry* method; then if he find in such entry that a person is to be either debited or credited, the same person must be debited or credited in the single entry Journal; otherwise no journal entry is to be made.

9.

Sell Wm. Johnson, on %, 50 lbs. B. Sugar, @ 9½c.; 1 Broom, 25c.; 5 lbs. Rio Coffee, @ 24c.; 2 Wood Pails, @ 22c.

"

Pay cash for ton of Coal for office use, 6.50.

10.

Pay Smith, Perkins & Co., cash to apply on %, 100.00. (*J. and C. B.*)

"

Buy of Geo. F. Doyle, Salina, on %, at 10 days, 25 bbls. Salt, @ 1.25.

"

Wm. Johnson returns for credit, 4 lbs. of the Rio Coffee bought 9th inst., the quality not being satisfactory.

11.

Sell A. Thompson, 10 bbls. Salt, @ 1.40; 2 ch. J. Tea, 70 lbs., @ 70c.; 3 bbls. B. Sugar, 375 lbs., @ 10c. Receive in payment, cash, 25.00. Balance on %. (*J. and C. B.*)

NOTE.—In transactions like the above in single entry, it is customary to make an entry in the Journal debiting the person with the whole bill purchased, and then make a second entry giving him credit for the amount paid.

12.

Pay Clerk cash to apply on Salary, 10.00.

"

Receive cash of Mrs. Eliza Smith, to apply on %, 1.50.

13.

Pay Smith, Perkins & Co., to apply on %, cash, 50.00, and your note at ten days, payable at College Bank, 100.00. (*J., C. B. and B. B.*)

"

Sell Wm. Johnson, on %, 10 lbs. A Sugar, @ 10c.; 2 lbs. J. Tea, @ 85c.; 5 lbs. Rio Coffee, @ 22c.

14.

Buy of Geo. F. Doyle, on %, at 10 days, 25 bbls. Salt, @ 1.25.

"

Receive cash of A. Thompson, for his note of 8th inst. due to-day, 25.00. (*C. B. and B. B.*)

"

Cash sales, as per Cash Drawer, 358.40.

15.

Pay Geo. F. Doyle's sight draft on you to apply on %, in cash, 25.00. (*J. and C. B.*)

"

Pay Book-keeper cash, to apply on Salary, 25.00.

"

Receive of A. Thompson, his note at ten days, payable at Traders' Bank, to balance %, 119.50.

"

Sell James Jamieson, on %, 10 lbs. B. Sugar, @ 9½c.; 2 lbs. J. Tea, @ 80c.; 5 lbs. Rio Coffee, @ 24c.

16.

Pay your note of 3d inst., favor of Smith, Perkins & Co., in cash, 300.00.

NOTE.—You may now balance the Cash Book and post the the entries for the foregoing transactions. Give each account one-fourth of a page space. The books are to be changed to Double Entry after you have completed the posting, full instructions for which are given on the next page. You should study these instructions very carefully, and perform the work *precisely* as they direct.

INSTRUCTIONS FOR CHANGING THE BOOKS TO DOUBLE ENTRY.

1st. [8] An inventory is to be taken of the Mdse. and other property on hand, its value being estimated at what the property could be purchased for at the present time. The result of such inventory is as follows:

INVENTORY, JANUARY 16, 188–.

Mdse. on hand, per Inventory Book,	270 72
Horse and Wagon, valued at	225 00
Store and Lot, " "	2500 00

NOTE.—You may copy the above Inventory in your Journal, immediately following the last entry.

2d. [9] The resources and liabilities exhibited by the various books, viz: Ledger, Cash Book and Bill Book, are next to be obtained, and, with the Inventories, arranged in a convenient form, as shown below, for determining the condition of the business.

STATEMENT, JANUARY 16, 188–.

RESOURCES.		LIABILITIES.	
Mdse., per Inventory,	270 72	Bills Payable, per Bill Book,	165 50
Store and Lot, per Inventory,	2500 00	Personal Accounts, per Ledger,	566 50
Horse and Wagon, per Inventory,	225 00		
Cash, per Cash Book,	961 17		
Bills Receivable, per Bill Book,	119 50		
Personal Accounts, per Ledger,	16 93		
	4093 32		732 00

SUMMARY.

Total Resources,	4093 32	Present Worth,	3361 32
" Liabilities,	732 00	~~Investment~~,	3225 00
Present Worth,	3361 32	Net Gain,	136 32

NOTE.—Make a Statement like the above in your Trial Balance or Statement book. Do not copy the above form merely, but verify all of the results by your own books.

3d. [10] The Present Worth is found, as shown above, by taking the difference between the Resources and Liabilities; and [11] the Net Gain is then found by taking the difference between the Present Worth and the ~~Investment~~.

4th. [12] Since in Single Entry the Ledger contains only a portion of the Resources and Liabilities, viz: Personal accounts, it is apparent that, to change it to Double Entry, such additional accounts must be opened as will cause the Ledger to exhibit all of the Resources and Liabilities of the business, as shown by the foregoing Statement; and [13] the Net Gain must be credited to the Proprietor's account.

NOTE.—You may now proceed, in accordance with the above instructions, to open the additional accounts required to place your Ledger in the Double Entry form. After you have completed this work, your accounts should correspond with those given on pages 86–87. Mdse. will require one-half of a page space; all other accounts one-fourth of a page each.

5th. [14] After the change to Double Entry has been made in accordance with the foregoing directions, your Ledger must be in balance, because *all* of the Resources appear upon the Dr. side, and all of the Liabilities and the Present Worth, which is the difference between the Resources and Liabilities, appear upon the Cr. side.

STUDENT.

188–						188–					
Jan.	16	Present Worth,		3361	32	Jan.	1	Investment,	82	3225	
							16	Net Gain,		136	32
				3361	32					3361	32
						Jan.	16	Present Worth,		3361	32

SMITH, PERKINS & CO., City.

188–						188–					
Jan.	3	Bills Pay.,	82	300		Jan.	1	Mdse.	82	787	50
	10	Cash,		100			2	"	82	256	50
	13	Sundries,		150			3	"	82	35	
				550						1079	

A. THOMPSON, Aurora.

188–						188–					
Jan.	1	Mdse.	82	84		Jan.	3	Cash,	82	15	
	11	"		100	50		8	Bills Rec'v,		25	
							11	Cash,		25	
							15	Bills Rec'v,		119	50
				184	50					184	50

MRS. ELIZA SMITH, 27 Main Street.

188–						188–					
Jan.	2	Mdse.	82	2	51	Jan.	12	Cash,		1	50
	6	"		2	01						
	7	"			93						
				5	45						

WM. JOHNSON, 144 Lyell Ave.

188–						188–					
Jan.	2	Mdse.	82	1	57	Jan.	6	Cash,		3	
	9	"		6	64		9	Mdse. ret'd,			96
	13	"		3	80					3	96
				12	01						

JAMES JAMIESON, 27 Broadway.

188–						188–					
Jan.	3	Mdse.	82	6	18	Jan.	6	Cash,		5	
	15	"		3	75						
				9	93						

GEO. F. DOYLE, Salina.

188–						188–					
Jan.	15	Paid Draft,		25		Jan.	10	Mdse.		31	25
							14	"		31	25
										62	50

MERCHANDISE.

188–											
Jan.	16	Goods, per Inv.		270	72						

REAL ESTATE.

188– Jan.	16	Store and Lot,			2500								

EXPENSE.

188– Jan.	16	Horse and Wagon,			225								

CASH.

188– Jan.	16	Bal. per C. B.			961	17							

BILLS RECEIVABLE.

188– Jan.	16	On hand, per B. B.			119	50							

BILLS PAYABLE.

							188– Jan.	16	Outstanding, per B. B.			165	50

NOTE.—You may now continue the business, the books to be kept by Double Entry. The combined Day Book and Journal form, as illustrated on page 45, is to be used. Use the Double Entry form of Cash Book, and post from this book as in the preceding sets. Continue the use of the Bill Book as heretofore.

JANUARY 17, 188–.

Buy of H. Gordon & Co., on a/c, 10 bbls. B. Sugar, 1250 lbs., @ 8c.

"

Cash sales, per Cash Drawer, 75.25.

18.

Sell Wm. Johnson, on a/c, 2 lbs. J. Tea, @ 80c.; 5 lbs. Rio Coffee, @ 25c.; 30 lbs. A Sugar, @ 11c.

"

Sell E. T. Miller, on his note at 15 days, payable at City Bank, 5 bbls. A Sugar, 625 lbs., @ 10½c.; 10 bbls. B. Sugar, 1250 lbs., @ 9c.; 3 ch. J. Tea, 105 lbs., @ 65c.

19.

Receive cash of Mrs. Eliza Smith, to balance a/c.

"

Buy of H. Gordon & Co., on a/c, 15 bbls. A Sugar, 1875 lbs., @ 9¼c.

20.

Sell James Jamieson, on a/c, 20 lbs. A Sugar, @ 11c.; 5 lbs. Rio Coffee, @ 24c.; 2 bbls. Salt, @ 1.50.

"

Cash sales, per Cash Drawer, 115.05.

21.

Give Geo. F. Doyle your note at 30 days, payable at College Bank, to balance a/c.

"

Buy of H. Gordon & Co., on a/c, 5 ch. J. Tea, 175 lbs., @ 60c.

22.

Sell A. Thompson, 10 bbls. Salt, @ 1.40; 2 ch. J. Tea, 70 lbs., @ 70c.; 2 ch. B. Tea, 70 lbs., @ 55c. Receive cash, 50.00. Balance on a/c.

22

Pay Smith, Perkins & Co., cash on a/c, 100.00.

"

Cash sales, per Cash Drawer, 98.34.

23.

Sell Frank C. Hedstrom, Sardinia, 5 ch. B. Tea, 175 lbs., @ 55c.; 2 doz. W. Pails, @ 2.50; 4 doz. Brooms, @ 2.65; 2 half bbls. Mackerel, @ 4.75; 5 bbls. A. Sugar, 625 lbs., @ 10½c. Receive his note at 10 days, payable at First National Bank, 100.00. Balance on a/c.

"

Receive cash of Wm. Johnson on a/c, 5.00.

24.

Buy of Geo. F. Doyle, on your note at 20 days, 50 bbls. Salt, @ 1.25.

"

Cash sales, per Cash Drawer, 138.40.

25.

Pay cash for permanent improvements on store, 200.00.

"

Pay Gas bill in cash, 11.75.

"

Sell Wm. Johnson, on a/c, 5 lbs. J. Tea, @ 80.; 50 lbs. B. Sugar, @ 9½c.; 10 lbs. Rio Coffee, @ 25c.

26.

Receive cash of James Jamieson, to balance a/c, 11.33.

"

Pay your note of 13th inst., due to-day, in cash.

27.

Buy of Smith, Perkins & Co., 10 bbls. A. Sugar, 1250 lbs., @ 10c.; 10 bbls. B. Sugar, 1250 lbs., @ 9c.; 5 ch. J. Tea, 175 lbs., @ 60c.; 10 mats J. Coffee, 1250 lbs., @ 22c. Give them your note at 10 days, 300.00. Balance on a/c.

28

Pay H. Gordon & Co. cash on a/c, 178.44.

"

Receive cash of A. Thompson, for his note of 15th inst., due to-day.

29.

Cash sales, per Cash Drawer, 216.49.

"

Sell the Horse and Wagon for cash, 235.00.

30.

Pay your note of 7th inst., due to-day, in cash.

31.

Pay Book-keeper 25.00, and Clerk 15.00, cash in full for services to date.

INVENTORIES, JANUARY 31, 188–.

MDSE., as per Inventory Book,	426 48
REAL ESTATE.—Store and Lot, valued at	2700 00

You may now post and make a Balance Sheet. After you have completed the Balance Sheet, close the Ledger and bring down the resources and liabilities, and prove them upon a separate sheet of paper, as illustrated on page 40, and present the proof, together with your Ledger, to the teacher for inspection and approval.

A few results are appended: Cash on hand, 1333.79; Total Resources, 4965.58; Liabilities, 1346.50; Net Gain, 257.76.

FEBRUARY 1, 188–. (See Note below.)

———————— (Student's name),	Cr.			8500
Commenced business this day with the following resources and liabilities:				
Cash on hand, per Cash Book,		3000		
On deposit in College Bank,		4000		
100 bbls. Flour,	@ 8.00,	800		
C. D. Freneh's note, per Bill Book,		200		
Jas. Harris, on a/c,		500		
"				
———————— (Student's name),	Dr.			881 67
Note favor Geo. Wells, per Bill Book,		500		
Interest accrued, 80 days,		6	67	
Due Hill & Co., on a/c,		375		
College Bank,	Dr.			[illegible]
Amount on deposit, as above.				
Jas. Harris,	Dr.			500
On account, as above.				
Hill & Co.,	Cr.			375
On account, as above.				
2.				
White Bro's,	Cr.			1181 25
Bo't Mdse. on a/c, per Invoice No. 1.				
3.				
Hill & Co.,	Dr.			100
Paid them, on a/c, by check on College Bank.				
"				
College Bank,	Cr.			100
Check favor of Hill & Co.				

SINGLE ENTRY CASH BOOK.

188–			RECEIPTS.	PAYMENTS.
Feb.	1	Invested by Student,	3000	
	4	Deposited in College Bank,		500
	4	15 bbls. Beef, @ 18.75,	281 25	
	6	C. D. Freneh's note,	200	
	"	White Bro's. on a/c,		500
	7	R. J. Barton, to apply on Mdse.,	300	
	8	Office Books and Stationery,		25
	9	O. W. Jones, on a/c,	250	
	10	Deposited in College Bank,		1000
	12	Jas. Harris, on a/c,	200	

NOTE.—The month of February is to be worked by Single Entry, as explained in the preceding set. A few of the first entries, as they should be made in your Journal, are given above. In addition to the Personal accounts, however, a Bank account is to be kept in the Ledger. Use the Single Entry form of Cash Book, as illustrated above, and continue the use of the Bill Book as heretofore. On March 1, the books are to be changed to Double Entry, and the business continued through March by that method.

FEBRUARY, 188–

1. Commence business this day with the following resources and liabilities:
   RESOURCES: Cash on hand, 3000.00; on deposit in College Bank, 4000.00; 100 bbls. Flour, @ 8.00; C. D. French's note, dated Jan. 4th last, at 30 days, 200.00; Jas. Harris owes on ℅, 500.00.
   LIABILITIES: Your note favor of Geo. Wells, dated Nov. 13 last, at 90 days, payable at College Bank, with interest, 500.00; Interest accrued 80 days on above note; due Hill & Co., on ℅, 375.00.
2. Buy of White Bro's, on ℅, 50 bbls. Pork, @ 15.00; 25 bbls. Beef, @ 17.25.
3. Give Hill & Co. your check on College Bank, to apply on ℅, 100.00. (*J.*)
   Sell O. W. Jones, on ℅, 25 bbls. Flour, @ 9.00; 15 bbls. Pork, @ 16.50.
4. Deposit cash in College Bank, 500.00.
   Sell for cash, 15 bbls. Beef, @ 18.75.
5. Buy of Geo. J. Marsh, on your note at 15 days, 50 bbls. Beef, @ 17.25.
6. Receive cash for a note due to-day.
   Pay White Bro's cash on ℅, 500.00.
7. Sell R. J. Barton, 20 bbls. Beef, @ 18.50; 25 bbls. Flour, @ 9.00. Receive cash, 300.00. Balance on ℅.
8. Pay cash for set of Office Books and Stationery, 25.00.
9. Receive cash of O. W. Jones, on ℅, 250.00.
10. Deposit cash in College Bank, 1000.00.
11. Sell H. A. Strong, on his note at 60 days, 25 bbls. Pork, @ 16.25.
12. Buy a Safe for office use, and pay for same by check on College Bank, 225.00.
    Receive cash of Jas. Harris, on ℅, 200.00.
13. Buy for cash, 25 bbls. Pork, @ 15.00.
14. Sell O. W. Jones, 25 bbls. Beef, @ 18.50; 25 bbls. Flour, @ 9.25. Receive his note at 10 days, with interest, payable at City Bank, 500.00. Balance on ℅.
    Your note and the interest upon it, 7.75, due to-day, has been charged to your ℅ at College Bank.
15. Sell for cash, 10 bbls. Pork, @ 16.50.
16. Draw cash from the business for your private use, 50.00.
17. Sell Benj. C. Green, 15 bbls. Beef, @ 18.50; 10 bbls. Pork, @ 16.25. Receive cash, 150.00, and his note at 60 days, payable at Traders' Bank, for balance.
18. Give White Bro's your check on College Bank, to apply on ℅, 300.00.
20. Sell for cash, 10 bbls. Flour, @ 9.25; 5 bbls. Pork, @ 16.25.
21. Buy of White Bro's, on ℅, 25 bbls. Beef, @ 17.25.
22. Receive cash of Jas. Harris, to balance ℅, 300.00.
23. Buy of Geo. J. Marsh, on your note at 25 days, payable at College Bank, 50 bbls. Pork, @ 15.00.
    R. J. Barton has compromised with his creditors at 25 %. Settle his ℅ on that basis, receiving cash.
    Pay your note due to-day in cash.
24. Receive cash of O. W. Jones, on ℅, 222.50.
    Get H. A. Strong's note, received 11th inst., discounted at College Bank, and receive cash for the proceeds.
26. Sell D. B. Oliver, on ℅, 20 bbls. Pork, @ 16.25; 10 bbls. Beef, @ 18.50.
27. Receive cash for a note, with interest, due to-day.
28. Pay Salaries, 50.00, and Rent of Store, 50.00, in cash.

INVENTORIES, FEBRUARY 28, 188–.

15 bbls. Flour, @ 8.00; 40 bbls. Pork, @ 15.00; 15 bbls. Beef, @ 17.25.
Office Safe, valued at cost.

Balance the Cash Book. The cash on hand should be 2807.69. In posting, give Bank account one-half of a page space; other accounts one-fourth of a page. After posting, proceed to change the books to Double Entry, according to the instructions given in the previous set on page 85. The Statement should show a Present Worth of 7534.94.

After the necessary steps have been taken to change the Ledger to Double Entry, take a Trial Balance, to be *sure* that your Ledger is in balance before proceeding with March. Continue the use of the Bill Book and Cash Book in March, using the Double Entry form of Cash Book.

MARCH, 188–.

1. Admit Geo. H. Whitney and W. D. Welch as equal partners in the business.
   Geo. H. Whitney invests: Cash, 6324.34; A. C. Holden's note, dated Jan. 7th last, at 60 days, with interest, 1200.00; Interest accrued to date.
   W. D. Welch invests: Cash, 6054.94; a note made by Bently & Gardner, dated Feb. 16th last, at 90 days, 1500.00; Discount to maturity.
   Sell for cash, 15 bbls. Flour, @ 9.25.
   Deposit in College Bank, cash, 12000.00.
2. Buy of Clark & Co., 300 bbls. Beef, @ 17.25; 50 bbls. Pork, @ 15.00. Give in payment, your note at 10 days, 5175.00; your note at 30 days, 750.00; both notes payable at College Bank, with interest.
   Take out policy of insurance for one year on property in store, 10,000.00. Pay premium at 1½ % in cash.
3. Receive cash of O. W. Jones, on a/c, 100.00.
4. Sell Redmond Bro's, Vienna, 25 bbls. Pork, @ 16.25; 25 bbls. Beef, @ 18.50. Receive in payment, cash, 168.75; their note at 20 days, with interest, payable at First National Bank, Vienna, 400.00. Balance on a/c.
6. Deposit cash in College Bank, 500.00.
   Buy of H. A. Trafford, House and Lot, 344 Plymouth Ave., for 6000.00. Assume a mortgage on same of 2000.00, with interest accrued from Jan. 2 last, 63 days, and pay him the balance by check on College Bank.
   Buy 500 bbls. Flour, @ 8.00, and pay for same by check on College Bank.
8. Pay White Bro's, to apply on a/c, B. C. Green's note rec'd 17th ult., less discount to maturity.
   Accept a draft at 10 days' sight, drawn on W. D. Welch by W. T. Owens, for his private account, 600.00.
10. Pay cash for Coal for office use, 12.80.
    Receive of D. B. Oliver, to apply on a/c, his check on Merchants' National Bank, 310.00.
11. Sell O. W. Jones, on a/c, 200 bbls. Flour, @ 9.25; 100 bbls. Beef, @ 18.50.
    A. C. Holden, whose note Whitney invested and guaranteed its payment, has compromised with his creditors at 50 %. Receive cash and charge the deficiency to Whitney's account.
12. Deposit in College Bank, Oliver's check, rec'd 10th inst.
    Pay Hill & Co. cash to balance a/c.
    Receive cash of O. W. Jones, on a/c, 3543.75.
13. Buy of Scott, Seymour & Scott, on a/c, 250 bbls. Pork, @ 15.00.
    Exchange checks with Wm. E. Scott for his accommodation, 500.00. His check is dated 16th inst.
15. Your note due to-day, with interest, has been charged to your a/c at College Bank.
16. Sell for cash, 100 bbls. Beef, @ 18.50.
    Wm. E. Scott being unable to provide for the check rec'd of him 13th inst., gives you his note at 10 days, with interest, endorsed by Morgan & Howe.
18. Draw a draft on Redmond Bro's at 60 days, for 200.00, and get it discounted at College Bank, receiving credit for the proceeds.
    Sell D. B. Oliver, on a/c, 150 bbls. Pork, @ 16.25; 100 bbls. Flour, @ 9.25.
    Insure the House No. 344 Plymouth Ave. for 4000.00, at 1½ %, for one year. Pay premium in cash.
21. Receive of O. W. Jones, to balance a/c, his note at 60 days for 250.00.
    Accept Scott, Seymour & Scott's draft on you at 5 days' sight, payable at College Bank, to apply on a/c, 2000.00.
    Pay an acceptance due to-day in cash.
23. Your note due to-day has been charged to your a/c at College Bank.
    Student and Geo. H. Whitney doubting the responsibility of O. W. Jones, whose note the firm holds, W. D. Welch offers to buy the note at 75 % of its face, which offer is accepted. Make an entry to adjust the transaction.
24. Pay White Bro's cash on a/c, 100.00.
26. Buy of Geo. J. Marsh, 150 bbls. Flour, @ 8.00; 50 bbls. Beef, @ 17.25. Give him your note at 60 days, payable at College Bank, for 500.00, and check on College Bank for balance.
    Pay cash for permanent repairs and improvements on House No. 344 Plymouth Ave., 575.00
27. Receive cash for a note due to-day.

28. Sell Redmond Bro's, 200 bbls. Flour, @ 9.25; 165 bbls. Pork, @ 16.25. Receive their note at 30 days, 2000.00. Balance on %.
Deposit cash in College Bank, 5000.00.
Clark & Co., who hold your note for 750.00, given them 2d inst., offer to discount 25.00 and the accrued interest if you will pay it to-day. Accept their proposition and give them a check on College Bank.

29. Your acceptance due to-day has been charged to your % at College Bank.
Sell the House and Lot No. 344 Plymouth Ave. to Jas. W. Fonda for 6500.00. In addition to this price, he allows you for the permanent repairs and improvements paid for the 26th inst., and also 57.50 on the insurance paid 18th inst. He assumes in payment the mortgage of 2000.00 and accrued interest; gives you his check on Mechanics' Savings Bank for 2103.83, and a mortgage upon the property for the balance.
Receive cash for a note due to-day.

31. Receive cash of D. B. Oliver, to balance %, 3562.50.
Pay Salaries and Rent of Store in cash, 100.00.
Deposit cash in College Bank, 7000.00.

INVENTORIES, MARCH 31, 188–.

MDSE.—150 bbls. Flour, @ 8.00; 140 bbls. Beef, @ 17.25.
EXPENSE.—Insurance unearned, 137.50; Office Safe, valued at 5 % below cost.

Balance the Cash Book. Cash on hand, 1790.66. Post and make out a Balance Sheet. Net Gain for the month, 1674.95. Close the Ledger and prove the balances as heretofore instructed. Present your books and proof of the balances to the teacher before proceeding with the next set.

QUESTIONS FOR REVIEW.

Page 81.—[1] What is the distinguishing feature of Single Entry book-keeping? [2] To what extent is it necessary to record business transactions in Single Entry? [3] What books are generally used? [4] What additional books are sometimes employed? [5] In Single Entry, why can you not show in detail your gains and losses? [6] How do you determine your Net Gain or Net Loss? [7] When will the results exhibit a Net Loss?

Page 85.—[8] What is the first step preparatory to changing books from Single to Double Entry? [9] The second step? [10-11] Why must the Present Worth be found before the Net Gain or Net Loss can be determined? [12] What additional accounts is it necessary to open to change the Ledger to Double Entry? [13] What is the final step to place the Ledger in balance? [14] Why is the Ledger then in balance?

Miscellaneous.—From what sources do you get the information necessary to make out a statement of the Resources and Liabilities? Could you find your Net Gain or Net Loss if you did not know what you were worth at commencing? Could you find your present worth? If in making out the statement preparatory to changing to Double Entry, a resource should be omitted, how would it affect the Net Gain? What entry would be made in the Double Entry books to correct such an omission?

SPECIAL COLUMN JOURNAL.

[1] The Special Column Journal is a Journal provided with special or separate columns for those items which occur most frequently in the business.

[2] The advantage of using this form of Journal is in the saving of time and labor by not posting to the accounts the separate items which are carried to the special columns, [3] the footings only of these columns being posted daily, weekly or monthly; as desired.

[4] All items for which no special columns are provided are placed in the General or Sundries column, and each item posted separately, as in the ordinary Journal form.

In the form illustrated on page 94 two special columns, Cash and Mdse., are used on each side of the Journal. [5] The number of special columns is, however, not limited. [6] Any item which occurs with sufficient frequency, either upon the debit or credit side, to make it desirable, may have a special column provided for it. In many kinds of business it is desirable to provide a special column for Expense upon the debit side of the Journal.

[7] The columns are to be footed at the bottom of each page, and proved before being carried forward to the next page. [8] The sum of the three columns upon the debit side of the Journal must equal the sum of the three upon the credit side.

[9] In extending the amounts, particular care must be exercised, or errors will be made by extending amounts to the wrong columns. [10-11] The Ledger would not balance if a special column item were by mistake placed in the Sundries column, or a Sundries column item in a special column, because in the first case the amount would be omitted, and in the second case it would be posted twice.

The transactions for the preceding month of January, are used in illustrating this method.

The books to be used are the Special Column Journal, Bill Book and Ledger. The form of the Journal is illustrated on pages 94–98.

Perform the work from the memoranda, however, consulting the illustrations only when necessary.

The letters J., C. B. and B. B., together with the notes given in the memoranda, apply to the Single Entry work, and are not to be observed in working this set.

January 1, 188-

Mdse.	Cash	Sundries.	L.F.			L.F.	Sundries.	Cash.	Mdse.
				Commenced business this day, with the following Resources:					
		2500		Real Estate.	Store and Lot.				
		225		Expense.	Horse and Wagon.				
	500			Cash.	On hand.				
				To Student	Investments as above.		3225		
787 50				Mdse.	To Smith, P. & Co.		787 50		
					Bot. on acct. Invoice 1				
		84		A. Thompson, Aurora.	To Mdse.				84
					2 ch. J. Tea 70 lbs. 70¢ 49.				
					2 " B. " 70 " 50¢ 35.				
	175 38			Cash.	To Mdse.				175 38
					Sales per Cash Drawer.				

				2	51	Mrs. E. O. Smith	To Mdse.						2	51	
						27 Main St.	10 lbs A. Sugar	11¢	110						
							1 " J. Tea		85						
							2 " J. Coffee	28¢	56						
							2								
256	50					Mdse.	To Smith, P. & Co.			256	50				
							Bot on acct. Invoice 2								
							1								
				1	57	Wm. Johnson,	To Mdse.						1	57	
						144 Lydle Ave.	4½ lb. Mackerel	12½	54						
							1 " B. Tea		55						
							2 " B. Coffee	24¢	48						
							3								
				300		Smith, P. & Co.	To Bills Pay.			300					
							Bot on acct. per B.B.								
							1								
		15				Cash	To A. Thompson			15					
							Rec'd on acct.								
							1								
35						Mdse.	To Smith, P. & Co.			35					
							Bot on acct. Invoice 3								
1079		690	38	3113	08					4619				263	46

JANUARY 3, 188–

MDSE.	CASH.	SUNDRIES.	L.F.		L.F.	SUNDRIES.	CASH.	MDSE.
1079	690 38	3113 08				4619		263 46
		6 18	12	Jas. Jamieson, To Mdse.				6 18
				27 Broadway.				
				25 lbs. A Sugar, 10c., 2.50				
				4 " J. Tea, 80c., 3.20				
				2 " R. Coffee, 24c., .48				
				5.				
		5	15	Expense, To Cash,			5	
				Clerk's Salary.				
				,,				
	246 75			Cash, To Mdse.				246 75
				Sales per cash drawer.				
				6.				
		2 01	11	Mrs. E. Smith, To Mdse.				2 01
				10 lbs. B. Sugar, 10c., 1				
				4¼ " Mackerel, 12c., .51				
				2 Wood Pails, 25c., .50				
				,,				
	8			Cash, To Wm. Johnson,	14	3		
				Jas. Jamieson,	12	5		
				Rec'd on account.				
				7.				
65 50				Mdse. To Bills Payable,	16	65 50		
				Bo't of H. Gordon & Co., on note as per B. B., Invoice No. 4.				
				,,				
		93	11	Mrs. E. Smith, To Mdse.				93
				2 Wood Pails, 22c., .44				
				1 Broom, .25				
				1 lb. R. Coffee, .24				
	127 64			Cash, To Mdse.				127 64
				Sales per cash drawer.				
				8.				
		25	18	Bills Receivable, To A. Thompson,	14	25		
				Rec'd note on %, per B. B.				
				9				
		6 64	14	Wm. Johnson, To Mdse.				6 64
				50 lbs. B. Sugar, 9½c., 4.75				
				1 Broom, .25				
				5 lbs. R. Coffee, 24c., 1.20				
				2 Wood Pails, 22c., .44				
				,,				
		6 50	15	Expense, To Cash,			6 50	
				Coal for office.				
				10.				
		100	10	Smith, P. & Co., To Cash,			100	
				Paid on %.				
1144 50	1072 77	3265 34				4717 50	111 50	653 61

JANUARY 10, 188–.

MDSE.	CASH.	SUNDRIES.	L.F.		L.F.	SUNDRIES.	CASH.	MDSE.
1144 50	1072 77	3265 34				4717 50	111 50	653 61
31 25				Mdse. To Geo. F. Doyle, Bo't on a/c, per Inv. No. 5.		31 25		
				,,				
96				Mdse. To Wm. Johnson, 4 lbs. R. Coffee returned, 24c.		96		
				11.				
		75 50		A. Thompson, To Mdse.				100 50
	25			Cash,				
				10 bbls. Salt, 1.40, 14.				
				2 ch. J. Tea, 70 lbs., 70c., 49.				
				3 bbls. B. Sugar, 375 lbs., 10c., 37.50				
				Rec'd cash. 25.				
				Balance on a/c, 75.50				
				12.				
		10		Expense, To Cash,			10	
				,,				
	1 50			Cash, To Mrs. E. Smith, Rec'd on a/c.		1 50		
				13				
		150		Smith, P. & Co., To Cash,			50	
				Bills Payable,		100		
				Paid on a/c, cash, 50.				
				Note per B. B., 100.				
				,,				
		3 80		Wm. Johnson. To Mdse.				3 80
				10 lbs. A Sugar, 10c., 1.				
				2 " J. Tea, 85c., 1.70				
				5 " R. Coffee, 22c., 1.10				
				14.				
31 25				Mdse. To Geo. F. Doyle, Bo't on a/c, per Inv. No. 6.		31 25		
				,,				
	25			Cash, To Bills Receivable. Rec'd of A. Thompson, for his note due to-day per B. B.		25		
				,,				
	358 40			Cash, To Mdse. Sales per cash drawer.				358 40
				15.				
		25		Geo. F. Doyle. To Cash. Paid his sight draft.			25	
				,,				
		25		Expense, To Cash, Paid Book-keeper's salary.			25	
1207 96	1482 67	3554 64				4907 46	221 50	1116 31

JANUARY 15, 188–.

MDSE.	CASH.	SUNDRIES.	L. F.		L. F.	SUNDRIES.	CASH.	MDSE.
1207 96	1482 67	3554 64				4907 46	221 50	1116 31
		119 50		Bills Receivable, To A. Thompson, Rec'd his note per B. B. to balance a/c.		119 50		
				"				
		3 75		Jas. Jamieson, To Mdse.,				
				10 lbs. B. Sugar, 9½c., .95				3 75
				2 " J. Tea, 80., 1.60				
				5 " R. Coffee, 24., 1.20				
				16.				
		300		Bills Payable, To Cash,			300	
				Paid note favor Smith, P. & Co.				
1207 96	1482 67	3977 89				5026 96	521 50	1120 06
		1482 67	15	Cash,	15	521 50		
		1207 96	16	Mdse.,	16	1120 06		
		6668 52				6668 52		

[12] You may now balance the Journal as illustrated above, and post the foregoing entries. [13] Post the *totals only* of Cash and Mdse., as shown by the footings of those columns, the footings on the left side to the debit and the footings on the right side to the credit of those accounts. (*See Cash account below.*) All items in the Sundries columns are to be posted separately, as in the ordinary Journal form. You may use the Ledger Folio (Ledger page) instead of √ to check the posting in this set. See L. F. column, page 96, The items in the Sundries columns only, require checking.

CASH.

188–						188–					
Jan.	16	Sundries,	3	1482	67	Jan.	16	Sundries,	3	521	50

After you have finished posting, take a Trial Balance, and then continue the same form of Journal through January. At the end of January balance your Journal, as illustrated above, post, make out a Balance Sheet and close the Ledger. Your results should agree with those given at the bottom of page 88, except the Net Gain, which should be 394.08.

Present your books, with a proof of the balances, to the teacher for inspection.

QUESTIONS FOR REVIEW.

Page 93.—[1] Describe the Special Column Journal. [2] What is the advantage of its use? [3] How is this advantage secured? [4] What disposition is made of items for which no special columns are provided? [5] Is the number of special columns limited? [6] Upon what does the opening of a special column for any particular item depend? [7] How frequently are the items to be footed and proved? [8] How are they to be proved? [9] What error is to be particularly guarded against? [10] What would be the effect upon the Ledger if a special column item were extended to the Sundries column? Why? [11] If a Sundries column item were extended to a special column? Why?

Page 98.—[12] How is the Journal balanced? [13] How is the posting done?

METHOD OF BOOK-KEEPING

ADAPTED TO THE REQUIREMENTS OF THE

EXECUTOR OF A WILL.

The following set is designed to illustrate the closing up of the estate of a person deceased by the Executor of the Will. The Student is supposed to be the Executor, and will act as the personal representative of the deceased. He will take possession of all property of whatever character, and, after discharging all liabilities, will divide the remainder of the estate among the legal representatives of the deceased, in accordance with the terms of the Will.

The books to be used are the Journal and Ledger.

April 1, 18—

Having been appointed Executor of the will of the late John R. Warner, I have this day made a schedule of the real and personal property of the deceased; assisted by Cornelius Crittenden and Byron Rogers as appraisers, viz:

Real Estate	Homestead of 125 acres		12450		
	valued at	11250.			
	80 acres land in Mich.	1200			
Live Stock	100 Sheep 250 – 4 Horses 400 –	650.	965		
	2 Colts 50. – 6 Cows 180 –	260.			
	5 Hogs 30 – Poultry 25. –	55			
Implements	Harness	00.	1250		
and Fixtures	Machinery and Utensils	450.			
	Carriage 100 – Furniture 600.	700.			
Judgm't Rec.	Against D Gray, Jan. 16.		74	89	
Interest	On above to date			94	
W. W. Bonds	12-6% Bonds, 500 each, at par		6000		
Interest	On above to date		90		
Bills Rec.	W. S. Dunn, 90 days, Mar. 1.		1500		
Interest	On above to date;		7	75	
Bills Rec.	A. B. Enoch, 90 days, Feb. 20.		225		
Interest	On above to date		1	50	
John Lynch	Owes on account		40		
W. Burke	Owes on account		23	50	
Cash	On hand		125		
C. S. Bank	On deposit		980		
Interest	On above from Jan. 1 at 5%		12	25	
To Warner Est.	Total resources				23745 03

APRIL, 188–.

1. You (Student) have been appointed Executor of the Will of the late John H. Warner. The Will provides that the widow of deceased, Eliza St. Clair Warner, shall have one-third of all property belonging to the estate, and that the children, viz: John W., Mrs. Mary Warner Roberts, William H., Jennie E. and George S., shall each receive one-fifth of the remainder of such property.

   A schedule of the real and personal estate of the deceased, made by yourself, assisted by Cornelius Crittenden and Byron Rogers, as appraisers, exhibits as follows (*see entry on page 100*):

   125 acres of land, including buildings, constituting the Homestead, @ 90.00 per acre; 80 acres of land in Michigan, @ 15.00; 100 Sheep, @ 2.50; 4 Work Horses, 100.00 each; 2 Yearling Colts, 40.00 each; 6 Cows, 30.00 each; 5 Hogs, 6.00 each; Poultry, estimated at 25.00; Harness, estimated at 100.00; Machinery and Utensils, estimated at 450.00; Carriage, estimated at 100.00; Household Furniture, estimated at 600.00; Judgment against D. Gray, dated Jan. 16th last, 74.89; Interest accrued 75 days on above; 12 Water Works 6 % Bonds, 500.00 each at par; Interest accrued on same from Jan. 1 last, 3 months; Note of W. S. Dunn, at 90 days from March 1 last, with interest, 1500.00; Interest accrued 31 days on above note; Note of A. B. Enoch, at 90 days from Feb. 20 last, with interest, 225.00; Interest accrued 40 days on above note; John Lynch owes on a/c, 40.00; William Burke owes on a/c, 23.50; Cash on hand, 125.00; On deposit in Citizens' Savings Bank, 980.00; Interest accrued on above deposit from Jan. 1 last, 3 months, at 5 % per annum.

2. You have ascertained that deceased was indebted to the following persons in the sums named: James Bryant, on account of Blacksmithing, 43.50; A. B. Enoch, Store account, 79.80; Patrick Maloy, on account of Ditching, 16.25.
3. Deposit in Germania Bank, cash, 125.00.
4. Sell this day, at auction, the following personal property: 100 Sheep, @ 2.85 per head, to John Martin, on his note at 3 mos. with interest, endorsed by Byron Devins, payable at Germania Bank; 2 Work Horses, 94.00 and 140.00, to Wm. Gray, on his note at 3 mos. with interest, endorsed by John H. Bly, payable at Germania Bank; 2 Work Horses, 102.50 and 110.00, to Jerome B. Stevenson for cash; 2 Yearling Colts, 34.00 and 48.00, to William Fenner, on his note at 3 mos. with interest, endorsed by Calvin Davis, payable at Germania Bank; 2 Cows, 28.50 and 31.00, to Ira McCall for cash; 4 Cows, 34.00, 33.00, 29.75 and 41.00, to William Chappell, on his note at 3 mos. with interest, endorsed by Thos. Eddy, payable at Germania Bank; 5 Hogs, @ 4.50 each, to Samuel N. Messner for cash; Poultry, to Anson H. Wells for cash, 24.00.

   Harness, to Patrick Murphy, on his note at 3 mos. with interest, endorsed by M. B. Flynn, payable at Germania Bank, for 88.00; Carriage, to Owen Storrs for cash, 98.00; Farming Utensils, bought by John W. Warner and charged to his account, 415.00; Household Furniture, bought by the widow of deceased and charged to her account, 588.50.
5. Deposit in Germania Bank, cash, 416.50.
6. Pay Jas. Bryant and P. Maloy in full of account, by check on Germania Bank.
9. A. B. Enoch pays his note and interest to date in cash, after deducting the amount due him on a/c.
10. Pay Probate Judge's fee, 50.00, and Auctioneer's bill, 15.00, by check on Germania Bank.
    Patrick Murphy offers to pay his note at its face, which offer you accept.
16. Sell the Water Works Bonds to D. W. Powers for cash at par, with accrued interest added.
    Deposit in Germania Bank, cash, 6340.00.
17. Collect amounts due from John Lynch and Wm. Burke, in cash.
18. Wm. H. Warner desiring to purchase the 80 acres of Michigan land at the appraised valuation, it has been deeded to him and charged to his account.
19. Have the following interest bearing notes discounted at Germania Bank, at 8 % discount, and have the proceeds credited: John Martin's note, 285.00; Wm. Gray's note, 234.00; Wm. Fenner's note, 82.00; Wm. Chappell's note, 137.75.

    NOTE.—Get the interest on the face of the notes from their date to maturity at 6 per cent., and then discount the amount at 8 per cent. for the time the notes have yet to run, 2 mo. 18 days.

20. Mrs. Mary Warner Roberts takes the note of Wm. S. Dunn at its face, with accrued interest, to apply upon her share in the estate.

    Draw amount on deposit in Citizens' Savings Bank, and deposit it, together with the accrued interest, in Germania Bank.

21. Pay Jennie E. Warner cash, 50.00.
23. John W. Warner has determined to purchase the homestead farm at the appraised valuation. You will charge it to his account. Papers are to be executed on the 29th inst.
26. Messrs. Rowley & Johnston, attorneys, have returned the amount collected on the judgment against D. Gray, 74.89, and interest to date, less their charge for collection, 10.00, and Sheriff's fees, 5.75. Receive balance in cash.
27. Deposit in Germania Bank, cash, 73.89.

NOTE.—You may now post and take a Trial Balance (not Balance Sheet), after which close the accounts showing losses and gains directly into the Warner Estate account.

28. Appropriate, by check on Germania Bank, your fee as Executor of the Will, as provided by law, viz: 5% on the first 1000.00, 2½% on the next 9000.00, and 1% on the balance of the net credit to the estate, 23,798.98, not counting the liabilities or expenses. (*Debit Warner Estate for the fees.*)

NOTE.—Post the above entry and each entry hereafter as soon as it is journalized.

Having ascertained the present worth of the estate, as shown by the difference in the Warner Estate account, debit the Estate and credit Mrs. Eliza S. Warner her one-third, 7721.89, and the children, John W. Warner, Mrs. Mary Warner Roberts, Wm. H. Warner, Jennie E. Warner and Geo. S. Warner, each one-fifth of the remainder, as provided by the Will.

29. John W. Warner has this day executed a mortgage on the homestead farm for the balance due Mrs. Eliza S. Warner from the estate.

John W. Warner has executed a second mortgage on the homestead to Jennie E. Warner, for the balance due from him to the estate.

30. Give Mrs. Roberts, Wm. H. Warner, Jennie E. Warner and George S. Warner checks on Germania Bank, for amounts due them.

NOTE.—All of the accounts in your Ledger should now balance.

QUESTIONS FOR REVIEW.

What does the foregoing set illustrate? How is an Executor appointed? What are his duties? How are his fees computed? How is the amount found upon which they are computed? Why will every account balance at the close?

PETTY LEDGER.

[1] The following set is designed to illustrate a method of book-keeping by which all *transient* accounts may be kept without opening them in the principal Ledger.

[2] An auxiliary Ledger, called the Petty Ledger, is employed, in which all accounts are opened that are not likely to be permanent, active accounts; and in the principal or main Ledger an account called Petty Accounts is opened, to represent these transient accounts and to keep the main Ledger in balance.

[3] This method saves space in, and facilitates taking a trial balance of, the main Ledger.

The books to be used are the Journal, Bill Book, Petty Ledger and Main Ledger.

MAY 1, 188–.

		CASH RECEIPTS.	SUNDRIES DR.	SUNDRIES CR.	MDSE. SALES.
Commenced the Book and Stationery business, with the following Resources:					
Cash,	On hand,	1000			
Expense,	Furniture and Fixtures,		200		
E. W. Hoag,	Owes on account,		350		
To Student,	Investment as above,			1550	
	2.				
Mdse.	Bought on account, per Invoice,		648 80		
To Fletcher & Co.,	No. 1, on file,			648 80	
	"				
R. C. Sidway,	2 doz. Rob. Arithmetics, 10.00–20.00,		33 50		
To Mdse.	1½ doz. K. Grammars, 9.00–13.50,				33 50
	3.				
Petty Accounts,	Sold G. W. Getman, on %, per P. L.		8 40		
To Mdse.					8 40
	4.				
Cash,	To apply on account,	100			
To E. W. Hoag,				100	
	5.				
Bills Receivable,	Sold Brown, per B. B.,		45		
To Mdse.	20 H. S. Dictionaries, 2.25,				45
	"				
Cash,	Rec'd of G. W. Getman, on acct.,	5			
To P. A.				5	
	6.				
Cash,	Sales, per Cash Drawer,	28 12			
To Mdse.					28 12
	7.				
Fletcher & Co.	Gave them note to apply on account,		175		
To Bills Payable,	per B. B.,			175	
	"				
P. A.	Sold Marsh & Grant, on account,		24 75		
To Mdse.	per P. L.,				24 75
	9.				
Mdse.	Bought on account, as per Invoice		526 25		
To Barnes & Co.	No. 2,			526 25	
	10.				
Atkinson & Boyd,	10 reams Foolscap, 2.25–22.50,		62 50		
To Mdse.	25 M. Buff Envelopes, 1.60–40.00,				62 50
	"				
Cash,	To apply on account,	15			
To R. C. Sidway,				15	
	11.				
City Bank,	Deposited,		500		
To Cash,				500	
	12.				
Fletcher & Co.	Check to apply on account,		350		
To City Bank,				350	
	13.				
Cash,	Cash Sales for the day,				
To Mdse.		36 04			36 04
	Forward,	1184 16	2924 20	3870 05	238 31

MAY, 188–.

NOTE.—[4] The form of Journal illustrated on page 104, you will observe, is provided with additional columns, in which the sales of Mdse. and the receipts of Cash only are to be entered, the object being to facilitate posting. The footings of these columns are to be carried forward from page to page until the end of the month, and the totals then posted to their respective accounts. Post the footing of the Cash Receipts column to the debit of Cash account, and the footing of the Mdse. Sales column to the credit of Mdse. account. Rule the additional columns in your Journal, if they are lacking.

1. Commence the Book and Stationery business with the following Resources: Cash on hand, 1000.00; Furniture and Fixtures, valued at 200.00; E. W. Hoag, City (*M. L.*), owes on ℅, 350.00.

NOTE.—Accounts which are to be opened in the Petty Ledger will be indicated in the memoranda by the letters P. L., and those to be opened in the Main Ledger by the letters M. L.

2. Receive from Fletcher & Co., New York (*M. L.*), a bill of Mdse. bought on ℅, as per Invoice No. 1, 648.80.
   Sell R. C. Sidway, Lakeville (*M. L.*), 2 doz. Robinson Arithmetic, @ 10.00 doz.; 1½ doz. Kerl's Grammar, @ 9.00.
3. Sell G. W. Getman, City (*P. L.*), 6 R. Arithmetic, @ 90c.; 3 Civil Government, @ 1.00. (*J. and P. L.*)

NOTE.—Open an account with Getman in the Petty Ledger before making the journal entry. See form on page 106. As a matter of convenience the items are entered in the Petty Ledger and omitted from the Journal.

4. Receive cash of E. W. Hoag on ℅, 100.00.
5. Sell R. D. Brown, on his note at 10 days, 20 High School Dictionary, @ 2.25.
   Receive cash of G. W. Getman, to apply on ℅, 5.00. (*J.,* *and P. L.*)
6. Cash sales, as per Cash Drawer, 28.12.
7. Give Fletcher & Co. your note at 15 days, to apply on ℅, 175.00.
   Sell Marsh & Grant, Fairport (*P. L.*), 10 R. Arithmetic, @ 90c.; 10 K. Grammar, @ 75c.; 3 Knight's Commercial Law, @ 2.75.

NOTE.—Make the entry first in the P. L. Give each account in the Petty Ledger one-fourth of a page space.

9. Receive of Barnes & Co., Boston (*M. L.*), a bill of Mdse. bought on ℅, as per Invoice No. 2, 526.25.
10. Sell Atkinson & Boyd, Eastport (*M. L.*), 10 reams Foolscap, @ 2.25; 25 M. Buff Envelopes, @ 1.60.
    Receive cash of R. C. Sidway on ℅, 15.00.
11. Open an account at City Bank and deposit cash, 500.00.
12. Give Fletcher & Co. your check on City Bank, to apply on ℅, 350.00.
13. Cash sales of Mdse., as per Cash Drawer, 36.04.
15. Give Barnes & Co. your check on City Bank, to apply on ℅, 100.00.
17. Receive cash of Marsh & Grant, to apply on ℅, 10.00.
    Sell R. C. Sidway, 15 Civ. Gov., @ 1.00; 10 H. S. Dictionary, @ 2.25; 25 gro. D. Pencils, @ 1.75.
18. Receive cash for a note due to-day.
20. Accept Fletcher & Co.'s draft on you at 10 days, to apply on ℅, 50.00.
21. Sell L. Ayrault, Nunda (*P. L.*), 20 reams Foolscap, @ 2.25; 25 M. White Envelopes, @ 1.75.
22. Buy for cash a draft of 200.00 on Ninth National Bank, Boston, at ¼ % exchange. Remit the draft to Barnes & Co., to apply on ℅.
23. Receive of Atkinson & Boyd, to apply on ℅, their draft at 1 day's sight on Marcus Greenfield, which Greenfield has accepted, 35.00.
24. Sell L. & G. Freeman, City (*P. L.*), 25 M. B. Envelopes, @ 1.60; 10 reams Foolscap, @ 2.25.
25. Pay your note due to-day in cash.
26. Draw a draft at sight on L. Ayrault, Nunda, to apply on ℅, 50.00, and deposit the draft in City Bank to your credit, less cost of collection, 25c. (*J. and P. L.*)
    Buy of Walker, Clinch & Co., City (*M. L.*), Mdse. as per Invoice No. 3, 462.38. Give them your check on City Bank, 62.38. Balance on ℅.
27. Receive cash for an acceptance due to-day.
28. Sell Atkinson & Boyd, 10 K. Commercial Law, @ 2.75; 20 R. Arithmetic, @ 90c.; 15 H. S. Dictionary, @ 2.25. Receive in payment, their note at 15 days, 50.00. Balance on ℅.
29. Receive cash of Marsh & Grant, to balance ℅.
30. Deposit in City Bank, cash, 300.00.
    Sell J. J. Sidway, Canton (*P. L.*), 40 gro. Steel Pens, @ 1.45; 25 gro. D. Pencils, @ 1.75.
31. Credit D. W. Clark, Book-keeper (*P. L.*), his salary for the month, 50.00.

FORM OF PETTY LEDGER ACCOUNTS.

G. W. GETMAN, City.

188–					188–				
May	3	6 Rob. Arith., 90c.	5	40	May	5	Cash,		5
		3 Civ. Gov't, 1.00	3						
			8	40					

MARSH & GRANT, Fairport.

188–					188–				
May	7	10 Rob. Arith., 90c.	9		May	17	Cash,	10	
		10 K. Grammar, 75c.	7	50		29	"	14	75
		3 T. Com'l Law, 2.75	8	25					
			24	75				24	75

L AYRAULT, Nunda.

188–					188–				
May	21	20 rms. Foolscap, 2.25	45		May	27	Draft,	50	
		25 M. W. Env., 1.75	43	75					
			88	75					

L. & G. FREEMAN, City.

188–									
May	24	20 M. B. Env., 1.60	40						
		10 rms. Foolscap, 2.25	22	50					
			62	50					

INVENTORIES, MAY 31, 188–.

MERCHANDISE.—Per Inventory Book, ... 1203 88
EXPENSE.—Furniture and Fixtures, ... 200 00

You may now rule and foot the Journal and post the month's business, giving each account one-fourth of a page space, except Petty Accounts, which will require one-half of a page. Post the *footing only* of the Cash Receipts column to the debit of Cash account, and the footing of the Mdse. Sales column to the credit of Mdse. account, and omit the debit items of Cash and the credit items of Mdse. in posting from the Journal.

After you have completed the posting, prove first the Petty Ledger, as explained and illustrated below.

The Petty Ledger does not balance, but may be proved as follows: [b] Find the difference between the sides of the Petty Ledger, and compare it with the difference between the sides of the account with Petty Accounts, in the Main Ledger; the two differences should agree.

[c] The reason of this is obvious, since for every entry made in the Petty Ledger a corresponding entry was made in the account with Petty Accounts in the Main Ledger.

PETTY LEDGER, MAY, 31, 188–.

1	G. W. Getman,	8	40	5	
1	L. Ayrault,	88	75	50	
1	L. & G. Freeman,	62	50		
1	J. J. Sidway,	101	75		
2	D. W. Clark,			50	
		261	40	105	

PROOF.

Petty Accounts, Dr.	286 15	Petty Ledger, Dr.	261 40
" " Cr.	129 75	" " Cr.	105 00
Balance, ...	156 40	Balance, ...	156 40

After proving the Petty Ledger, make out a Balance Sheet from the Main Ledger, and close the accounts showing losses and gains, preparatory to taking a partner June 1st. The results shown by your Balance Sheet should be as follows:

SUMMARY, MAY 31, 188–.

Total Resources,	2467 56	Total Gains,	218 26
" Liabilities,	750 05	" Losses,	50 75
Present Worth,	1717 51	Net Gain,	167 51

JUNE, 188–.

1. Admit F. E. Craigie as a partner, with a cash investment equal to your present worth.
2. Sell Baker Bro's, Ridgeway (*P. L.*) 5 Rob. Arithmetic, @ 90c.; 10 K. Grammar, @ 75c.; 5 reams Foolscap, @ 2.25.
   Deposit in City Bank, cash, 1500.00.
   Pay your acceptance due to-day in cash.
3. Receive R. C. Sidway's check on Farmers' Bank, Lakeville, to balance his %.
4. Sell W. & E. Palmer, Havana (*P. L.*), 25 M. White Envelopes, @ 1.75; 25 Civ. Government, @ 1.00; 20 gro. D. Pencils, @ 1.75.
   Deposit Sidway's check rec'd 3d inst. in City Bank, less collection, 25c.
5. Receive cash of L. & G. Freeman in full of %.
6. Pay D. W. Clark, Book-keeper, cash to apply on last month's salary, 25.00.

   NOTE.—Debit Petty Accounts instead of Expense. See entry May 31.

7. Sell G. W. Getman, 20 M. Buff Envelopes, @ 1.60; 15 H. S. Dictionary, @ 2.25; 10 Com. Law, @ 2.75.
8. Receive from Fletcher & Co., New York, a bill of Mdse. bought on % per Inv. No. 4, 268.60.
9. Cash sales, per Cash Drawer, 52.94.
10. The draft drawn on L. Ayrault, May 26, has been returned unpaid. Protest fees, 1.25. Give City Bank your check to take up the draft, 51.25.

    NOTE.—Charge the fees to Ayrault, it having been agreed that you should draw upon him at that time.

11. Receive cash of E. W. Hoag on %, 150.00.
    Give Walker, Clinch & Co., your note at 10 days, payable at City Bank, to apply on %, 200.00.
13. Sell R. C. Sidway, 500 gro. Crayon, @ 11c.; 50 reams Letter Paper, @ 2.10.
    Deposit cash in City Bank, 250.00.
14. Receive cash of G. W. Getman on %, 25.00.
    Sell R. W. Howard, Bluff Point (*P. L.*), 10 Com. Law, @ 2.75; 15 M. Buff Envelopes, @ 1.60; 12 K. Grammar, @ 75c.
15. Receive cash for a note due to-day.
    Cash sales, per Cash Drawer, 21.50.
16. Sell G. W. Getman, 10 reams Letter Paper, @ 2.10; 200 gro. Crayon, @ 11c.
    Buy of Walker, Clinch & Co., Mdse. per Invoice No. 5, 689.32. Give them in payment, check on City Bank, 289.32: your note at 60 days for balance, payable at City Bank.
17. Receive from Baker Bro's, a Postal Money Order, to apply on %, 10.00.
18. Buy at City Bank, by check, a draft on the Ninth National Bank of Boston, 226.25, at ¼ % exchange, and remit the draft to Barnes & Co., to balance %.
19. Transfer G. W. Getman's account to the Main Ledger, it having proved to be a permanent and active account.

    NOTE.—Close the account in the P. L. Say, on the credit side, Bal. to M. L. Then make an entry in the Journal: G. W. Getman, To Petty Accounts.

20. Receive of Atkinson & Boyd, their note at 45 days, to balance %, 56.75.
    Buy of Stein & Co., City (*P. L.*), one Show Case for Store, 35.00.
21. Receive from W. & E. Palmer, to apply on %, their sight draft for 50.00 on Farley & Ferguson, which F. & F. pay by their check on Commercial Bank.
    Sell Findley & Morris, Groveland (*P. L.*), 5 gro. Steel Pens, @ 1.45; 10 R. Arithmetic, @ 90c.
22. Student draws cash for private use, 50.00.

22. Sell Atkinson & Boyd, 25 K. Com. Law, @ 2.75.
23. Receive cash of L. Ayrault to balance %, 90.00.
24. Your note due to-day at City Bank has been charged to your account.
    D. W. Clark draws balance of last month's salary in cash, 25.00.
    Receive from Barnes & Co., a bill of Mdse bought on %, per Invoice No. 6, 822.48.
25. Sell Alfred Carter, Newport (*P. L.*), 20 reams Letter Paper, @ 2.10; 25 M. White Envelopes, @ 1.75. Receive in payment, cash, 45.00. Balance on %.
26. Receive cash of J. J. Sidway on %, 58.00.
27. Sell Frank Siddons, City (*P. L.*), 1 Com. Law, 3.00; 1 R. Arithmetic, 1.00.
28. Pay Fletcher & Co.'s sight draft on you by check on City Bank, 73.80.
29. Sell G. W. Getman (*M. L.*), 25 Civ. Government, @ 1.00; 10 Com. Law, @ 2.75.
30. F. E. Craigie draws for private use, by check on City Bank, 50.00.
    Give D. W. Clark credit for his month's salary, 50.00.

INVENTORIES, JUNE 30, 188–.

MERCHANDISE.—Per Inventory Book,	2452 38
EXPENSE.—Furniture and Fixtures,	235 00

Rule and foot the Journal and post the month's business. Remember that the footings only of the Cash Receipts and Mdse. Sales columns need be posted. After you have completed the posting, prove the Petty Ledger, as instructed for last month. The accounts in the Petty Ledger need not be closed. Make out a Balance Sheet and close the accounts in the Main Ledger.

Net Gain for the month,	202 72
Balance of Petty Accounts,	147 25

[8] Another method of keeping transient accounts is to open in the Main Ledger an account called "Miscellaneous Accounts," or some other appropriate title, under which all accounts not likely to be permanent, active accounts may be placed, instead of keeping them in a Petty Ledger, as illustrated below.

MISCELLANEOUS ACCOUNTS.

188–					188–				
May	3	G. W. Getman,	8	40	May	5	Cash, 5.		
	7	Marsh & Grant,	24	75	"	17	Cash, 10; May 29, 14.75	24	75
	21	L. Ayrault,	88	75	"	27	Draft, 50; Bal. 38.75	88	75
	24	L. & G. Freeman,	62	50					
	27	L. Ayrault, Bal.	38	75					
	30	J. J. Sidway,	101	75	June	26	Cash,	58	

[9] You will observe by the above form that the space occupied by each account is one line only. [10] When an account is settled, the credit is entered on the line directly opposite the debit, thus showing the account balanced. [11] When an account is not paid in full at one payment, the account may be closed and the balance unpaid transferred to a new line, or the payments may be short extended, as shown above. It is sometimes desirable to keep "Misc. Accounts Receivable" and "Misc. Accounts Payable."

Hand to the teacher, on a slip of paper, a proof of the balances brought down in closing the Ledger; also present your books for inspection.

QUESTIONS FOR REVIEW.

Page 103.—[1] What does the Petty Ledger set illustrate? [2] Describe the method. [3] What are the advantages to be derived from its use?

Page 105.—[4] What advantage is derived in this set from using an additional column for Mdse. sales?

Page 106.—[5] How is the Petty Ledger proved? [6] Explain the reason for it.

Page 107.—[7] What entry is made to transfer an account from the Petty Ledger to the Main Ledger?

Page 108.—[8] What other form may be used for keeping transient accounts to save space in the Main Ledger? [9] By this form, how much space does each transient account occupy? [10] When an account is settled, where is the credit entry made? [11] If an account is not paid in full at one payment, how is the entry made?

CASH METHOD.

[1] The method illustrated in the following set combines the Day Book, Journal and Cash Book in one book, called the Cash Journal, or simply Journal, in which book all entries are to be made, whether cash forms any part of the transaction or not.

[2] This form of book-keeping is best adapted to a business in which the transactions are mainly for cash.

[3] The principal advantages of the method are, that it employs a less number of books, and saves time and labor in posting cash.

RULES FOR CASH METHOD.

Decide what the journal entry would be for the transaction in the ordinary form, then:

First.—[4] If Cash be the only debit, enter all of the credit items on the left side, which debits Cash.

Second.—[5] If Cash be the only credit, enter all of the debit items on the right side, which credits Cash.

Third.—[6] If the entry consists of several debits and credits, one of which is Cash, *leaving out the Cash,* enter all the debits on the right side, which credits Cash, and enter all the credits on the left side, which debits Cash. The difference will show the cash received or paid out.

Fourth.—[7] If no Cash is involved in the transaction, enter the credits on the left side and the debits on the right side. The footings of the two sides will thus be increased equally, and the balance of cash will remain unchanged.

The books to be used in this set are the Cash Journal and Ledger.

Monday

Cash	To Sundries			
Student	Cash invested	20000		
E. A. Wooden	"	30000		
W. E. Sankey	Cash deposited	2000		
J. W. Gardner		3000		
Discount	On R. N. Smith's note,			
	discted for C. G. Teall	9 60	55009	60
			55009	60

Tuesday

Balance			26707	10
Bk of Comrce	Sold draft to Reynolds	2000		
Exchange	At ¼% on above draft	5		
Merchants Bk	Check for R. R. Stock	6250		
J. W. Gardner	Cash deposited	600		
Discount	On Benj. H. Craig's acpt'd	5 75		
W. E. Sankey	Bal. credited on C's accpt	994 25		
Bills Pay	Acpt'd draft on Wooden	500		
N. Y. C. Stock	Sold 20 shares at 130	2600	12955	
			39662	10

Wednesday

Balance			30555	65

July 5, 188-

Sundries	To Cash					
Bk of Comrce	Remitd cash for credit	15000				
Merchants Bk	" " "	10000				
H. E. Sankey	Paid his check on us	500				
Bills Rec.	Disctd for C. G. Teall	2500				
	and paid him the proceeds on Smith's note					
J. W. Gardner	Paid check on us	300				
Expense	Express charges		2	50	28302	50
Balance	Cash on hand				26707	10
					55009	60

July 6, 188

H. E. Sankey	Paid check on us	356	45			
N. Y. C. Stock	Bot 50 shares at 125	6250				
Bills Rec.	Disctd for H. E. Sankey, Craig's acceptance	2000				
	Paid Cash on bal credtd					
E. A. Wooden	Accepted Sibley's draft, his private acct.	500			9106	45
Balance	Cash on hand.				30555	65
					39662	10

July 7, 188

MONDAY, JULY 5, 188–.

Student and E. A. Wooden form a copartnership to engage in business as private Bankers and Brokers, in accordance with copartnership articles executed this day. The gains and losses are to be shared in proportion to the investment.

Student invests cash, 20,000.

Make the entry on the *left* side of the Journal, which credits Student and debits Cash. See form on page 110.

E. A. Wooden invests cash, 30,000. (*Same as previous entry.*)

Remit by express, to Bank of Commerce, New York, for your credit, cash, 15,000.

Make the entry on the *right* side of the Journal, which debits Bank of Commerce and credits Cash.

Receive cash of H. E. Sankey on deposit, 2000.

Make the entry on the *left* side, which credits Sankey and debits Cash.

Remit by express, to Merchants' Bank, Boston, for your credit, cash, 10,000.

Entry on *right* side of Journal.

Pay H. E. Sankey's check on you in cash, 500.

Entry on *right* side, which debits Sankey and Credits Cash.

Receive cash of J. W. Gardner on deposit, 3000.00.

Discount for C. G. Teall a note made by R. N. Smith, 2500.00. Discount, 9.60. Pay him the proceeds in cash, 2490.40.

Enter Bills Receivable, 2500, on the *right* side of the Journal, which debits Bills Receivable and credits Cash 2500. Then enter Discount, 9.60, on the *left* side, which credits Discount and debits Cash 9.60. Cash having been thus credited 2500 and debited 9.60, the *net credit* to Cash is 2490.40, as shown by the difference, the actual amount of cash paid out.

Pay J. W. Gardner's check on you in cash, 300.00.

Pay express charges on remittances to New York and Boston in cash, 2.50.

The Journal is now to be balanced for the day, as shown on pages 110–111. [8] It will be apparent that the footings of the Journal cannot exhibit the actual amount of cash received and disbursed, since in many of the entries a part only is cash, and in others no cash whatever is involved.

[9] The footing of the left side of the Journal represents the total credits of the business, except the credit of cash; [10] the footing of the right side the total debits of the business, except the debit of cash; [11] the difference between these footings must therefore exhibit the excess of cash received or paid out during the day. [12] The balance for the previous day being added to the footing of the left side of the Journal, the difference between the sides will then show the cash on hand.

After balancing the Journal, post the day's business. Give each account one-fourth of a page space. [13] In posting, credit all of the items upon the *left* side, and debit cash with the total of these items. The debit and credit sides of the Ledger are thus kept equal. Debit all of the items upon the *right* side, and credit Cash with the total of these items. Here again equal debits and credits are posted to the Ledger.

You may omit the explanations from the Ledger in posting this set. The work of Monday and Tuesday is posted in full below.

STUDENT.

						188– July	5		110	20000	

E. A. WOODEN.

188– July	6			111	500		188– July	5		110	30000	

H. E. SANKEY.

188– July	5			111	500		188– July	5		110	2000	
	6			111	356	45		6		110	994	25

J. W. GARDNER.

188– July	5			111	300		188– July	5		110	3000
								6		110	600

DISCOUNT.

							188– July	5		110	9 60
								6		110	5 75

CASH.

188– July	5		110	55009	60	188– July	5		111	28302	50
	6		110	12955			6		111	9106	45

BANK OF COMMERCE.

188– July	5		111	15000		188– July	6		110	2000	

MERCHANTS' BANK.

188– July	5		111	10000		188– July	6		110	6250	

BILLS RECEIVABLE.

188– July	5		111	2500							
	6		111	2000							

EXPENSE.

188– July	5		111	2	50						

EXCHANGE.

							188– July	6		110	5

BILLS PAYABLE.

							188– July	6		110	500

N. Y. C. & H. R. R. R. STOCK.

188– July	6		111	6250		188– July	6		110	2600	

TUESDAY, JULY 6, 188–.

Pay H. E. Sankey's check in cash, 356.45.

Sell M. F. Reynolds your sight draft on Bank of Commerce, 2000, at ¼ % exchange, 5.00. Receive cash, 2005.00.

Credit Bank of Commerce and Exchange on the left side of the Journal, which debits Cash.

Buy of Cook & Co., 50 shares N. Y. C. & H. R. R. R. Stock, @ 125.00 per share. Pay for same by check on Merchants' Bank.

Debit N. Y. C. & H. R. R. R. Stock on the right side of the Journal, which credits Cash. Credit Merchants' Bank on the left side, which debits Cash. The amount of 6250 having thus been entered on each side of the Journal, the balance of Cash remains unchanged by this entry.

Receive cash of J. W. Gardner on deposit, 600.00.

Discount, for H. E. Sankey, Benj. W. Craig's acceptance, 2000.00. Discount off, 5.75. Pay him cash, 1000.00, and place the balance to his credit. (*See Rule Third, on page 109.*)

Accept H. Sibley's draft on E. A. Wooden, for private %, 500.00. (*See Rule Fourth, page 109.*)

Sell 20 shares N. Y. C. & H. R. R. R. Stock, @ 130.00 per share, and receive cash.

You may now balance the Journal and post the day's work, as instructed for yesterday. [14] You will observe that the cash on hand for Monday is carried to the second column of the Journal in bringing the balance down on Tuesday, [15] so as to avoid including it in the footing of the items of Tuesday's business; otherwise Cash account would be again debited for the net receipts of the previous day.

WEDNESDAY, JULY 7, 188–.

Remit cash to Bank of Commerce, New York, by express, 10,000. (*Rule Second, page 109.*)

Receive cash of H. E. Sankey, on deposit, 375.00. (*Rule First, page 109.*)

Pay J. W. Gardner's check in cash, 76.25. (*Rule Second, page 109.*)

Sell 10 shares N. Y. C. & H. R. R. R. Stock for cash, @ 136.00. (*Rule First, page 109.*)

Discount, for Rob't C. Foy, Wells Bro's note, 800.00. Discount off, 3.27. Pay proceeds in cash, 796.73. (*Rule Third, page 109.*)

Buy for cash, 25 shares Park Bank Stock, @ 145.00. (*Rule Second, page 109.*)

Receive cash of H. C. Griffiths, on deposit, 1500.00.

Sell Geo. Archer your sight draft on Bank of Commerce, 1000.00. Exchange ¼ %, 2.50. Receive cash, 1002.50. (*Rule First, page 109.*)

Discount, for J. W. Gardner, Caring & Reed's note, 600.00. Discount off, 1.51. Proceeds placed to his credit, 598.49. (*Rule Fourth, page 109.*)

Pay Express charges on remittance to Bank of Commerce in cash, 1.75.

You may now balance your Journal. There should be eight entries on the left side and six on the right side. The balance of cash on hand should be 20,293.42. Post the day's business, and then take a Trial Balance. If correct, it should correspond with the following:

TRIAL BALANCE, JULY 7, 188–.

Student,			20000	
E. A. Wooden,	500		30000	
H. E. Sankey,	856	45	3369	25
J. W. Gardner,	376	25	4198	49
Discount,			20	13
Cash,	72805	37	52511	95
Bank of Commerce,	25000		3000	
Merchants' Bank,	10000		6250	
Bills Receivable,	5900			
Expense,	4	25		
Exchange,			7	50
Bills Payable,			500	
N. Y. C. & H. R. R. R. Stock,	6250		3960	
H. C. Griffiths,			1500	
Park Bank Stock,	3625			
	125317	32	125317	32

THURSDAY, JULY 8, 188–.

Sell 10 shares Park Bank Stock for cash, @ 150.00.

Pay H. C. Griffiths' draft on you, 500.00, less discount, 2.25, by check on Merchants' Bank, 497.75. (*Rule Fourth, page 109.*)

Receive cash on deposit of E. J. Howard & Co., 1275.00.

Buy of Reed & Hill, 60 shares N. Y. C. & H. R. R. R. Stock, @ 124¼. Pay for same by check on Merchants' Bank, 3000.00. Balance in cash. (*Rule Third, page 109.*)

Student appropriates cash for private use, 500.00.

Sell J. W. Gardner your sight draft on Bank of Commerce, New York, 3500.00, at ¼ % exchange. Receive his check on you in payment. (*Rule Fourth, page 109.*)

Pay sundry items of Telegraphing in cash, 1.45.

Receive cash on deposit of H. E. Sankey, 2350.00.

Pay your acceptance of 6th inst. in cash, 500.00.

Draw a sight draft on Bank of Commerce, 7500.00, and remit it to Merchants' Bank for your credit. (*Rule Fourth, page 109.*)

Pay Howard & Co.'s check in cash, 100.00.

Discount for J. W. Gardner his accommodation note, endorsed by Lee & Parker, payable at Bank of Commerce, New York, 1500.00. Discount off, 15.75. Proceeds to his credit.

Sell 20 shares N. Y. C. & H. R. R. R. Stock to Morgan & Reeves, @ 126½. Receive in payment, their check on Fourth National Bank, New York, and remit same to Bank of Commerce, for your credit.

Balance your Journal, and post the day's business. There should be twelve entries on the left side, and ten on the right side. The cash on hand should be 19861.97.

FRIDAY, JULY 9, 188–.

Receive cash of R. N. Smith, for his note, 2500.00.

Accept E. J. Howard & Co.'s draft, in favor of H. C. Griffiths, to apply on a/c, 850.00.

Sell H. C. Griffiths, your sight draft on Bank of Commerce, 1500.00, at ¼ % exchange. Receive in payment, cash, 800.00; his check on you for the balance.

Receive cash of J. W. Gardner, on deposit, 265.50.

Sell Wm. Smith, 15 shares Park Bank Stock, @ 150.00. Receive cash, 550.00, and his note for the balance.

Pay H. E. Sankey's check in cash, 876.44.

Receive on deposit, of O. B. Welch, cash, 500.00, and issue him a Certificate of Deposit. (*Credit Certificate of Deposit instead of O. B. Welch.*)

Have J. W. Gardner's note for 1500.00, rec'd yesterday, re-discounted at Bank of Commerce. Discount off, 10.25. Proceeds to your credit.

Receive cash of H. C. Griffiths, on deposit, 200.00.

Protest Caring & Reed's note, 600.00, rec'd 7th inst., for non-paym nt. Pay the Notary Public's fees in cash, 1.35. (*Debit Protested Paper, 601.35, and credit Bills Receivable, 600.00.*)

Sell H. E. Sankey 40 shares N. Y. C. & H. R. R. R. Stock, @ 128. Receive his check on you, 3120.00, and his check on Chemical National Bank, New York, for the balance.

Receive cash of E. J. Howard & Co., on deposit, 2500.00.

Receive cash of Wells Bro's, for their note, 800.00, and interest on same, 4.25.

Balance your Journal and post the day's business. Cash on hand, 29103.93.

SATURDAY, JULY 10, 188–.

Receive cash on deposit of E. J. Howard & Co., 275.00.

Discount, for L. D. Briggs, Alonzo Stebbins' note, 890.00. Discount off, 17.80. Give him draft on Bank of Commerce for 500.00, at ¼ % exchange, and pay him the balance of the proceeds in cash.

Pay H. E. Sankey's check in cash, 317.28.

Buy 100 shares Western Union Telegraph Stock, @ 98¾. Give in payment, Wm. Smith's note, rec'd yesterday, 1700.00, less discount, 12.75; your check on Merchants' Bank, 6000.00, and cash for the balance.

J. W. Gardner, for whom you discounted Caring & Reed's note, protested yesterday, takes up the note by his check on you, 601.35.

Receive cash of H. E. Sankey, on deposit, 2000.00. Issue him a Certificate of Deposit for 1000.00, and place the balance to his credit.

Sell H. C. Griffiths, 50 shares W. U. Telegraph Stock, @ 101¼. Receive in payment, your acceptance of yesterday in his favor, 850.00, less discount, 11.83; a sight draft on Importers and Traders' Bank, New York, 1648.84; his check on you, 496.25; and currency for the balance.

Receive cash of J. W. Gardner, on deposit, 1750.00.

Remit to Bank of Commerce, for your credit, the check on Chemical National Bank rec'd yesterday, 2000.00, and the draft on Importers and Traders' Bank rec'd to-day, 1648.84.

Sell for cash, 25 shares W. U. Telegraph Stock, @ 100½.

Benj. W. Craig pays his acceptance rec'd 6th inst., 2000.00, and interest on same, 6.00, as follows: His check on Monroe Savings Bank, 1000.00; your Certificate of Deposit issued yesterday to O. B. Welch, 500.00; and currency for the balance.

Balance your Journal. Cash on hand, 34350.69. After posting the day's business, make a Balance Sheet and close the Ledger.

INVENTORIES, JULY 10, 188–.

20 shares N. Y. C. & H. R. R. R. Stock,	@	124¼
25 " W. U. Telegraph "	@	98¾

Net Gain of Firm, 754.31. Present Worth of Firm, 49,754.31.

NOTE.—Remember, in making the Summary and in closing the Loss and Gain account, that the Net Gain is to be shared by the proprietors in proportion to their investments. Hand to the teacher a proof of the balances brought down in closing the Ledger. Also present your books for inspection, and be prepared upon the following.

QUESTIONS FOR REVIEW.

Page 109.—[1] Define the Cash Method. [2] To what kind of business is it best adapted? [3] What are its principal advantages? [4] For transactions in which Cash is the only debit, how is the entry to be made in the Cash Journal? [5] How if Cash is the only credit? [6] How if there are several debits and credits, one of which is Cash? [7] How if no Cash enters into the transaction?

Page 112.—[8] Why do not the footings of the Journal show the cash received and disbursed? [9] What does the footing of the left side represent? [10] The right side? [11] What will the difference between these footings represent? [12] How is the balance of cash on hand found? [13] Explain the manner of posting and how the Ledger is kept in balance.

Page 114.—[14] In bringing down the balance of the previous day, to which column is it carried? [15] Why?

SHIPPING AND COMMISSION.

[1] This set is designed to illustrate a general business in shipping property to and receiving property from other parties, to be sold on commission.

[2] In addition to the Journal, a Commission Sales Book and Cash Book are to be kept as [3] principal books. [4] Those entries only which pertain to consignments are to be made in the Sales Book. [5] Entries involving cash are to be made in the Cash Book. [6] All other entries are to be made in the Journal.

The simpler forms only of Commission Sales Book and Cash Book are illustrated in this set.

Special columns may sometimes be profitably introduced in these books, and when found advantageous, they can easily be added to meet the requirements of any particular branch of the Commission business.

NOTE.—Before proceeding with the month of September, study carefully the following explanations.

SHIPMENTS.

Dr.	Cr.
[7] Shipment is debited at the time the property is shipped, for its estimated value (usually its cost), and for all expenses.	[8] Shipment is credited at the time of receiving an account sales, for the net proceeds.

[9] When property is shipped to be sold on commission, the person who ships it opens an account upon his books with "Shipment," to represent the property which has passed from his *possession*, but not from his *ownership*. [10] To distinguish different shipments, the name of the place or party is generally used with the number of the shipment, thus: "Shipment to Detroit, No. 1," "Shipment to Brown & Co., Baltimore, No. 3," etc. [11] The person who ships the property is called the "Consignor." [12] After the property has been disposed of, a statement showing the sales and all the charges is rendered to the Consignor. Such a statement is called an "Account Sales." [13] The difference between the sales and all the charges is called the "Net Proceeds." [14] After the Shipment has been credited with the net proceeds, it will show either a gain or a loss. [15] If a statement of the business were to be made before receiving an account sales, the value of the shipment would be treated as a resource inventory.

CONSIGNMENTS.

Dr.	Cr.
[16] Consignment is debited for all charges paid when the property is received, and also for all subsequent charges, and for the net proceeds at the time of rendering the account sales.	[17] Consignment is credited for all sales of property belonging to it.

[18] When property is received to be sold on commission, the party receiving it opens an account upon his books with "Consignment," to represent the property which has come into his *possession*, but not his *ownership*. [19] To distinguish different consignments, the name of the Consignor is generally used and the number of the consignment, thus: "J. D. Winslow's Consignment No. 2," etc. [20] The party who receives the property is called the "Consignee." [21] After the closing entry has been made, debiting the consignment for the final charges and net proceeds, the consignment will balance. [22] If a statement of the business were to be made before closing the consignment, and the charges upon it to the time of the statement exceeded the sales, the difference would be a resource. [23] If the sales exceeded the charges, the difference would be a liability.

Wm D. Hamlin's, Laporte,

188								
Sept	2		1000 bu White Oats					
	2	✓	Cash	Paid freight		65		
	6		Storage	1¢ per bu		10		
	6		Commission	2% of sales		9 24	84	24
	"		W D Hamlin	Net proceeds			377	76
							462	

Foster Bros., Carthage,

Sept	6		500 bu R. Wheat					
	"	✓	Cash	Paid freight		50		
	12		Storage	2½¢ per bu		12 50		
			Commission	2% of sales		13 75	76	25
		✓	Cash	Net proceeds remitted			610	00
							686	25

Harding & Lee's, Salem,

Sept	8		400 bbls Flour					
	11	✓	Cash	Paid cost of storage		3 75		
	15	✓	Cash	Remitted to W & S		300		
	20		Storage	8¢ per bbl		32		
			Commission	2% of sales		63 50	399	25
			Harding & Lee	Net proceeds due by expiration Oct. 10.			2775	75
							2175	

Consignment

188-						
Sep	3	M. R. Steele On account				
		400 bu W. Oats	45¢			180
	6	Hoyt & Eaton On account				
		600 bu W. Oats	47¢			282
						462

Consignment

Sep	9	r	Cash Sold to Geo. Gould			
			200 bu R. Wheat	1 31¼		274 50
	12	r	Cash Sold to P. J. Gibson			
			300 bu R. Wheat	1 37¼		411 75
						686 25

Consignment

Sep	10		M. R. Steele On account at 10 ds			
			100 bbls Flour	7 75		775
	13		Sold to Jno. Howe			
			100 bbls Flour	8 00		800
		r	Cash Rec'd on above		500	
			Jno Howe Bal on acct at 15 days		500	
	20		Bills Rec. W. D. Vance on note 30 ds			
			200 bbls Flour	8 00		1600
						3175

CASH BOOK.

SEPTEMBER, 188–.

			CASH	TO	SUNDRIES.					
Sept.	1		Student.	Investment,			3500			
	8		Mdse.	50 bbls. Apples.		2.25	112	50		
	9		M. B. Steele,	On account,			80			
		✓	Foster Bro's Consignment.	200 bu. R. Wheat.			274	50		
									3967	
									3967	
Sept.	11		Balance,						3628	25

JOURNAL.

SEPTEMBER 3, 188–

		Mdse.	Bo't of Welch Bro's.	1000		
			500 bbls. Apples. 2.			
		To Bills Payable.	Gave them note at 10 days.		600	
		Welch Bro's.	Balance on account.		400	
			5.			
		Ship't to L. Coleman, Bay View.	Shipped him, to be sold on my account.	505		
		To Mdse.	250 bbls. Apples. 2.		500	
	✓	Cash.	Cartage on same.		5	

LEDGER.

STUDENT.

					188– Sept.	1	Cash,		3500	

MERCHANDISE.

188– Sept.	3	Sundries,		1000	188– Sept.	8	Cash,		112	7
						5	Ship't to L. C.		500	
									612	5

M. B. STEELE.

188– Sept.	3	Hamlin's Con.		180	188– Sept.	9	Cash,		80	
	10			775						

EXPENSE.

188– Sept.	2	Cash,		18	75					

CASH BOOK.

SEPTEMBER, 188–.

188–			SUNDRIES	TO	CASH.				
Sept.	2	√	Hamlin's Consignment,	Freight,		65			
	3		Expense,	Office Books,		18	75		
	5	√	Ship't to L. Coleman,	Cartage,		5			
	6	√	Foster Bro's Consignment,	Freight,		50			
	10		Welch Bro's,	On account,		200			
								338	75
			Balance,	On hand,				3628	25
								3967	

LEDGER.

WELCH BROS.

188–					188–				
Sept.	10	Cash,		200	Sept.	3	Mdse.	400	

STORAGE.

188–					188–				
					Sept.	6	Hamlin's Con.	10	

COMMISSION.

188–					188–				
					Sept.	6	Hamlin's Con.	9	24

WM. D. HAMLIN.

188–					188–				
					Sept.	6	Hamlin's Con.	377	76

HOYT & EATON.

188–									
Sept.	6	Hamlin's Con.		282					

BILLS PAYABLE.

188–					188–				
					Sept.	3	Mdse.	600	

SHIPMENT TO L. COLEMAN, Bay View.

188–									
Sept.	5	Sundries,		505					

SEPTEMBER, 188–.

1. Commence a general Shipping and Commission Business, investing cash, 3500.00. (*C. B.*)
2. Receive from Wm. D. Hamlin, Laporte, to sell on his account, 1000 bu. White Oats. Pay Freight on same in cash, 65.00.

NOTE.—Enter in Sales Book and Cash Book, and check the entries. See form of Sales Book on pages 118–119, form of Cash Book on pages 120–121. Give each Consignment one-third of a page space in the Sales Book. Cash is checked in the Sales Book and omitted in posting, because the entry in the Cash Book credits Cash; and Hamlin's Consignment is checked in the Cash Book and omitted in posting, because the entry in the Sales Book debits Hamlin's Consignment; otherwise these amounts would be posted twice.

3. Sell M. B. Steele, on a/c, from Hamlin's Consignment, 400 bu. W. Oats, @ 45c. (*S. B.*)

NOTE.—Making this entry on the right hand side of the Sales Book credits Hamlin's Consignment and debits M. B. Steele, same as in the Cash Method.

Buy of Welch Bro's, 500 bbls. Apples, @ 2.00. Give them in payment, your note at 10 days, 600.00. Balance on a/c. (*J.*)

Pay cash for set of Office Books, 18.75. (*C. B.*)

5. Ship L. Coleman, Bay View, to be sold on your account, 250 bbls. Apples, @ 2.00. Pay Cartage on same in cash, 5.00. (*J. and C. B.*)

NOTE.—Check Cash in the Journal and Ship't to L. Coleman in the Cash Book. For explanation see note under Sept. 2d, above.

6. Receive from Foster Bro's, Carthage, to sell on their account, 500 bu. Red Wheat. Pay Freight on same in cash, 50.00. (*S. B. and C. B., and check the entries.*)

Sell Hoyt & Eaton, on a/c, from Hamlin's Consignment, 600 bu. W. Oats, @ 47c. (*S. B.*)

Close Wm. D. Hamlin's Consignment, and render an account of same. Storage, 1c. per bu., 10.00; Commission, 2% on sales, 9.24. Wm. D. Hamlin's net proceeds to his credit, 377.76. (*S. B. See form of Account Sales on last pages of the text book.*)

NOTE.—Rule a sheet of foolscap paper, and write up the form of this Account of Sales. See illustration as above. Rule up the Consignments in the Sales Book as soon as they are closed.

8. Sell for cash, 50 bbls. Apples, @ 2.25. (*C. B.*)

Receive from Harding & Lee, Salem, to sell on their account, 400 bbls. Flour. (*S. B.*)

9. Receive cash of M. B. Steele, on a/c, 80.00. (*C. B.*)

Sell Geo. Gould, for cash, from Foster Bro's Consignment, 200 bu. R. Wheat, @ 1.37½. (*S. B. and C. B.*)

10. Pay Welch Bro's, cash on a/c, 200.00. (*C. B.*)

Sell M. B. Steele, on a/c, at 10 days, from Harding & Lee's Consignment, 100 bbls. Flour, @ 7.75. (*S. B.*)

You may now balance your Cash Book, after which post the foregoing entries. Post from the Journal as heretofore. [8] Post from the Cash Book and Sales Book as instructed for the Cash Method; that is, all items on the left side are to be credited, and all on the right side debited. You need not in this set, however, open in the Ledger a Cash account nor accounts with Consignments. [9] When taking a Trial Balance, carry to it the balance of cash on hand, as shown by the Cash Book, and the balances of all unclosed Consignments, as shown by the Sales Book. All items that are checked are not to be posted. In posting the items not checked, use the Ledger folio as a check mark. Give each account one-fourth of a page space.

Commence with the Cash Book, and *complete* the posting from that book; then follow with the Sales Book in same manner, and then with the Journal. The dates will not come in regular order in the Ledger by this method of posting, but this is not material. After you have finished posting from all of the books, your Ledger accounts should agree with those given on pages 120–121.

Take a Trial Balance, and it should agree with the one given on next page. The debits and credits in Foster Bro's Consignment and Harding & Lee's Consignment being unequal, as shown by your Sales Book, it becomes necessary to enter them in the Trial Balance; also enter in the Trial Balance the balance of cash on hand, as shown by the Cash Book.

TRIAL BALANCE, SEPTEMBER 10, 188–.

Student,			3500	
Mdse.	1000		612	50
M. B. Steele,	955		80	
Expense,	18	75		
Welch Bro's.	200		400	
Storage,			10	
Commission,			9	24
Wm. D. Hamlin,			377	76
Hoyt & Eaton,	282			
Bills Payable,			600	
Ship't to L. Coleman, Bay View,	505			
Foster Bro's Con.			224	50
Harding & Lee's Con.			775	
Cash,	3628	25		
	6589	00	6589	00

After completing the Trial Balance, continue the business, making the entries for the following transactions in the various books as heretofore instructed.

SEPTEMBER, 188–.

11. Receive cash of Hoyt & Eaton, on a/c, 182.00.
    Buy of Jas. P. King, on a/c, 300 bu. Potatoes, @ 65c. (*J.*)
    Pay cash for Cooperage on Flour belonging to Harding & Lee's Consignment, 3.75. (*S. B. and C. B., and check the entries.*)
12. Sell P. J. Gibson, for cash, from Foster Bro's Consignment, 300 bu. R. Wheat, @ 1.37¼. (*S. B. and C. B., and check.*)
    Close Foster Bro's Consignment, and render an account of same. Storage, 2½c. per bu., 12.50; Commission, 2% on sales, 13.73. Net proceeds remitted in cash, 610.02. (*S. B. and C. B.; check 610.02.*)
13. Receive from L. Coleman an account of the shipment made him 5th inst., with cash for your net proceeds, 634.50. (*C. B.*)
    Student draws cash for private use, 50.00.
    Sell Jno. Howe, from Harding & Lee's Consignment, 100 bbls. Flour, @ 8.00. Receive cash, 300.00. Balance on a/c at 15 days. (*S. B. and C. B.; check 300.00.*)
15. Ship A. G. Niles, Evansville, to be sold on your account, 200 bu. Potatoes, @ 65c. Pay Cartage in cash, 3.25. (*J. and C. B.; check 3.25.*)

    NOTE.—Write up on foolscap paper the form for this Invoice of Shipment. See Business Forms, on last pages of the text book, for illustration.

    Pay Book-keeper cash, to apply on Salary, 25.00.
    Remit Harding & Lee, for cash sale made from their Con. 13 inst., 300.00. (*S. B., C. B. and check.*)
16. Pay your note due to-day in cash, 600.00.
18. Receive from Henry Benson, Seneca, to sell on his account, 500 doz. Eggs. Pay Express charges in cash, 6.25.

    NOTE.—The letters indicating the books will hereafter be omitted. Remember to check Cash whenever it is debited or credited elsewhere than in the Cash Book, and to check Consignments if debited or credited elsewhere than in the Sales Book.

19. Remit Wm. D. Hamlin cash in full for his net proceeds, as per Account Sales 6th inst., 377.76.
    Sell for cash, 50 bu. Potatoes, @ 75c.
    Pay J. P. King cash on a/c, 50.00.
    Sell to Geo. Lacy, for cash, from Benson's Consignment, 200 doz. Eggs, @ 18c.
20. Sell W. D. Vance, on his note at 30 days, from Harding & Lee's Consignment, 200 bbls. Flour, @ 8.00.
    Close Harding & Lee's Consignment, and render an account of same. Storage, 8c. per bbl.; Commission, 2% of sales. Balance to Harding & Lee's credit due by equation Oct. 10th.

    NOTE.—You are required to work this equation to verify the result as given above. See your Arithmetic for instruction in Equation of Accounts.

    Receive cash of M. B. Steele, in full of a/c, 875.00.

You may now balance your Cash Book. Cash on hand, 4078.97. Next post the foregoing entries from the various books, as instructed on page 122, after which take a Trial Balance. Remember that Cash and all unclosed Consignments must be entered in the Trial Balance before it will prove.

In the Trial Balance given below, a portion only of the amounts are extended, the student being required to complete the extensions, as well as to verify those which are given, from his own books. After completing the Trial Balance, continue the business to the end of September, when you will make out a Balance Sheet and close the Ledger.

TRIAL BALANCE, SEPTEMBER 20, 188–.

	Student,	50		3500	
	Mdse.	1195		780	
	Expense,				
	Welch Bro's,				
	Storage,			54	50
	Commission,			86	47
	Hoyt & Eaton,				
	Ship't to L. Coleman, Bay View,	505		634	50
	J. P. King,				
	Harding & Lee,				
	J. Howe,				
	Bills Receivable,				
	Ship't to A. G. Niles, Evansville,	133	25		
	Henry Benson's Con.				
	Cash,	4078	97		
		8637	97	8637	97

SEPTEMBER, 188–.

21. Ship Wells & Co., Argyle, to be sold on your account, 100 bbls. Apples, @ 2.00.

22. Receive from Lester, Hall & Co., Brantford, to sell on their account, 200 bu. Clover Seed. Pay Freight in cash, 15.00.

23. Receive from A. G. Niles an account of the shipment made him 15th inst. Net proceeds placed to your credit, 121.75.

Receive cash of Jno. Howe, on ℀, 300.00.

24. Remit Harding & Lee cash, for balance due them on their Consignment, 2775.75, less discount to equated time of payment, Oct. 10.

Receive from Wm. D. Hamlin, to sell on his account (2d Consignment), 3000 bu. White Wheat. Pay Freight in cash, 330.00.

25. Buy of Thos. C. Jennings, on your note at 60 days, 800 bu. Corn, @ 70c.

Pay Welch Bro's cash, in full of ℀, 200.00.

Sell French & Sweet, for cash, from Lester, Hall & Co.'s Consignment, 100 bu. Clover Seed, @ 5.00.

Close Lester, Hall & Co.'s Consignment (100 bu. Clover Seed remaining unsold), and render an account of same. Storage, 2½c. per bu., 5.00; Commission, 2 % of sales. Net proceeds remitted in cash, 470.00.

NOTE.—Make a memorandum simply, on the credit side of the Consignment, of the 100 bu. unsold. Next close and rule up the Consignment, and then enter, below the ruling on the debit side, the memorandum of the 100 bu. unsold.

26. Sell for cash, 50 bu. Potatoes, @ 78c.

Ship O. W. Sears, Branchport, to be sold on your account, 800 bu. Corn, @ 70c. Pay Insurance 5.00, and Labor on same, 3.10 in cash.

27. A. G. Niles remits you cash, to balance his ℀, 121.75.

Pay cash for re-packing 300 doz. Eggs belonging to Benson's Consignment, 1.25.

Pay J. P. King cash on ℀, 45.00.

28. Sell Jas. Barger, for cash, 285 doz. Eggs, from Benson's Consignment, @ 17c.

15 doz. Eggs belonging to Benson's Consignment were broken.

Close Benson's Consignment, and render an account of same. Commission, 2 % of sales. Net proceeds remitted in cash.

28. Sell M. B. Steele, on %, 100 bbls. Apples, @ 2.40.
Prepay your note of 25th inst., favor of Thos. C. Jennings, in cash, less discount.

29. Sell Scott & Trevor, on their note at 15 days, from Hamlin's Con. No. 2, 250 bu. W. Wheat, @ 1.25.

30. Receive from Wells & Co. an account of the shipment made them 21st inst. Net proceeds remitted in cash, 224.50.
W. D. Vance prepays his note of 20th inst. in cash, less discount.
Sell Chas. G. Nixon, from Lester, Hall & Co.'s Consignment, 100 bu. Clover Seed, @ 5.00. Receive his check on Bank of Republic, 200.00. Balance on %.
Close Lester, Hall & Co's Consignment, and render an account of same. Storage, 2½c. per bu., 2.50; Commission, 2 % of sales. Remit cash to Lester, Hall & Co. 200.00, and place the balance of the net proceeds to their credit.
Pay Book-keeper balance due on month's salary, 25.00, and Warehouse Rent, 50.00, in cash.
Receive cash of Hoyt & Eaton, to balance %, 100.00.

INVENTORY, SEPTEMBER 30, 188–.

Shipment to O. W. S., Branchport,	568 10

You may now balance your Cash Book. Cash on hand, 2464.18. Post and make out a Balance Sheet and close the Ledger. Your Summary should exhibit as follows:

SUMMARY, SEPTEMBER 30, 188–.

Total Resources,	4102 28	Total Gains,	395 03
" Liabilities,	387 50	" Losses,	130 25
Present Worth,	3714 78	Net Gain,	264 78

After closing the Ledger and proving your balances, present your books, with a proof of the Ledger balances, to the teacher for inspection.

QUESTIONS FOR REVIEW.

Page 117.—[1] What does this set illustrate? [2] What books are employed? [3] Are they used as principal or auxiliary books? [4] What entries are made in the Sales Book? [5] In the Cash Book? [6] In the Journal? [7-8] Give the rule for journalizing Shipments. [9] Explain the meaning of shipment. [10] How are the different shipments distinguished? [11] What is the party called who ships the property? [12] What is meant by Account Sales? [13] By Net Proceeds? [14] What will the shipment account show after it has been credited with the net proceeds? [15] What before? [16-17] Give the rule for journalizing Consignments. [18] Explain the meaning of Consignment. [19] How are the different consignments distinguished? [20] What is the party called who receives the property? [21] When should a Consignment balance? [22-23] What would a Consignment show if it were unclosed at the time of making a Balance Sheet?

Page 122.—[24] Why are Cash and Consignments checked and omitted in posting when they appear in any other books than the Cash Book and Sales Book? [25] In posting from the Cash Book and Sales Book, how is the work to be performed? [26] Why must unclosed Consignments and the balance of cash on hand be entered in the Trial Balance?

WHOLESALE.

[1] This set is designed to illustrate, in a general way, a method for keeping the books of a Wholesale or Jobbing Business, [2] by combining and extending the short methods of book-keeping explained and illustrated in previous sets, so that much time and labor may be saved in performing the work.

Since in almost every business of any magnitude there will be features peculiar to that particular business, there must of necessity be required other forms and books than those here given, and which it would be quite impossible to illustrate within the scope of an ordinary text book.

[3] The principal books and forms, however, together with their uses and advantages, are so fully illustrated and explained, that any modifications of or additions to them, necessary to meet the requirements of any particular business, may readily be devised and employed.

The books to be used are the Journal, Sales Book, Check Book, Cash Book, Bill Book and Ledger.

BOOKS USED IN THE WHOLESALE SET.

JOURNAL.

[4] The Journal, as used in this set (see form on page 128), combines with it the Invoice Book, sometimes kept as a separate book, [5] by the addition of an extra column (headed "Mdse. Dr." in the form), in which the purchases of Mdse. only are to be entered. [6] This column is to be added and the footing carried forward from page to page until the end of the day or week or month, as desired, [7] at which time the total footing is to be posted to the debit of Mdse. account. [8] The items in the columns headed "Sunds. Dr." and "Sunds. Cr." are to be posted separately, as in the ordinary Journal. These columns may be footed, so as to prove with the Check Sheets explained on page 134. [9] The Invoices themselves may either be filed away in packages, or pasted in a large book made especially for that purpose. [10] This may be used as a principal book if desired, by [11] posting from it directly to the Ledger, without making the entries in the Journal.

SALES BOOK.

[12] The Sales Book (see form on page 129) is designed to contain sales of Mdse. only. [13] The net amount of each bill is to be extended to the last column, and debited to the person who purchased it. [14] The last column is to be added and the footing carried forward from page to page until the end of the day, week or month, as desired, [15] the total being then posted to the credit of Mdse. account. [16] An additional advantage may be secured by using for a Sales Book a large Copying Book, in which impressions of all of the bills may be made and posted directly to the Ledger.

CHECK BOOK.

[17] In the Check Book (the form given on page 130 shows the stub only) is to be kept a record of all transactions with the bank, [18] and a Bank account is not to be opened in the Ledger. [19] When a deposit is made, the Bank is debited for the amount of the deposit by entering it in the Check Book, with the proper explanation, and [20] adding the amount to the previous balance. [21] When a check is drawn, the bank is credited, by [22] deducting the amount of the check from the previous balance. [23] No entry is to be made in the Cash Book when cash is deposited, [24] the balance in bank being treated as cash on hand. [25] When a payment is made by check, therefore, the amount must be entered to the credit of cash in the Cash Book, in addition to crediting the bank in the Check Book, because reducing the bank balance reduces the cash balance at the same time.

CASH BOOK.

[26] The Cash Book (see form on pages 130–131) is designed to contain cash entries only. [27] It is arranged with special columns, [28] in order to classify to some extent the receipts and payments of cash, and to facilitate the work of posting. [29] The footings only of the special columns are to be posted daily, weekly or monthly, as desired, those on the left side being credited, and those on the right debited. [30] The items in the Sundries columns are to be posted separately, those on the left side credited, and those on the right debited. [31] In posting to the Cash account in the Ledger, the difference in the cash balances only is to be posted. [32] If the balance of cash on hand is less than at the last posting, Cash account is to be credited with the difference; [33] if more, is to be debited. To prove the cash, [34] add together the footings of all of the columns on the left side of the Cash Book, and the amount will be the total debit of Cash; [35] then add together the footings of all of the columns on the right side, and and the amount will be the total credit of Cash. [36] The difference between these two amounts will be the balance of cash on hand, [37] which is found by adding the cash in safe and the balance in bank together.

BILL BOOK.

[38] The Bill Book is to be kept as an auxiliary book, the same as heretofore. [39] It may be kept as a principal book; but as a rule the entries in it are so few, comparatively, that most book-keepers prefer to journalize such entries.

TRIAL BALANCE

[40] The form of Trial Balance shown on page 134 is called a Continued Trial Balance, and [41] is designed to save the time and labor consumed in re-copying the titles of the various accounts whenever a Trial Balance is to be taken.

LEDGER INDEX.

A common form of Ledger Index is illustrated on page 131. [42] A convenient plan for such an Index, if the number of accounts is not too great, is to arrange the names alphabetically, as shown in the form on page 131, written upon a stiff card of suitable size, which can stand in front of the person who is posting, making it much easier to be referred to than the ordinary form of Index. [43] When the number of accounts is very large, a Vowel Index is generally employed.

JOURNAL.

OCTOBER, 188–.

DATE.		Folio.		MDSE. DR.		SUNDS. DR.		SUNDS. CR.	
Oct.	1		H. G. Fuller and Student form a co-partnership this day, under the firm name of Fuller & Student, to engage in the Wholesale Business of Wooden Ware and Grocers' Sundries. The partners are to invest equally, and share equally in gains and losses. An interest account is to be kept between the partners.						
	"	61	Sundries, To H. G. Fuller, Invested as follows:						
		61	Bills Receivable, Carter's note, per B. B.			300			
		61	" " Hawley & Co.'s note, per B. B.			500			
		61	Interest, On above to date,			7	33		
		62	Cowles & Hutchings, Olean. On account,			2556	14		
	"		Sundries, To Sundries, Student invested as follows:						
		61	Bills Receivable, Leighton's note, per B. B.			3000			
		61	Interest, On above to date,			30			
		62	W. & E. Morgan, City, On account,			2014	66		
		62	To Bills Payable, Note to Fulton, per B. B., assumed by the firm.					600	
		61	Interest, On above to date,					8	50
		62	S. W. Siddons, City, On account,					307	44
		63	Lorrain Mfg. Co., New York, " "					490	25
		63	Brown Bro's & Seaver, Eastport, " "					275	
		61	Student, Investment,					3363	47
	2	63	To Byron Vaile, Toronto. Inv. Oct. 1, 60 days,	612	25			612	25
	3	61	Bills Receivable, Rec'd note to apply on a/c,			500			
		62	To W. & E. Morgan, per B. B.					500	
	4	63	To Scovell, Hodges & Co., New York, Inv. Oct. 2, 15 days,	812	34			812	34
	"	63	Brown Bro's & Seaver, Gave them note per B. B. on			100			
		62	To Bills Payable, account.					100	
	5	64	To F. M. Reed, Boston. Inv. Oct. 3, 90 days,	1540	71			1540	71
	"	61	Bills Receivable, Rec'd note per B. B., for			81	75		
		65	To B. N. Achard, Mdse. as per S. B.					81	75
	7	64	To Hopkins & Weeks, Baltimore. Inv. Oct. 4, 60 days,	1316	70			1316	70
	8	63	Scovell, Hodges & Co. Gave them note in full for			812	34		
		62	To Bills Payable, Inv. Oct. 2,					812	34
	9	64	To Geo. P. Osgood, Chicago. Inv. Oct. 7, 30 days,	216	50			216	50
	"	63	Brown Bro's & Seaver, Remitted them, on a/c, draft			100			
		62	To Cowles & Hutchings, at 30 days on C. & H.					100	
	10	63	To Byron Vaile, Inv. Oct 7, 60 days,	376	88			376	88
	"	61	Bills Receivable, Rec'd note to apply on a/c,			300			
		62	To W. & E. Morgan, per B. B.					300	
		64		4875	38	10302	33	15177	60

Forward

SALES BOOK.

OCTOBER, 188-.

Oct.	3	65	Frank Goodspeed, Waverly.							
			1 doz. No. 1 O. Chop. Trays,	5.			5			
			2 Glass Cheese Safes,	4.50			9			
			10 Nests F. Pails,	1.25			12	50	26	50
	3	65	F. E. Warren, New Rochelle.							
			3 doz. N. D. Z. Wash Boards,	2.50			7	50		
			5 " E. S. Z. " "	1.75			8	75		
			5 M No. 4 Paper Bags,	1.75	8	75				
				10 %		88	7	87		
			3 doz. 12-in. B. Bowls,	1.75			5	25		
			4 " Cov. W. D. Baskets,	2.50			10			
			2 " O. C. Trays, No. 2,	5.			10			
			1½ " No. 10 Feather Dusters,	20.	30					
			1 " No. 12 " "	26.50	26	50				
					56	50				
				25 and 10 %	18	36				
							38	14		
			10 gro. Gates' Matches,	2.70			27			
			6 Broom Racks,	2.50			15		129	51
	3	65	Larkin & Sprong, Groveland.	30 days.						
			2 doz. Wood Shovels,	7.50			15			
			25 lbs. Cotton Twine,	.24			6			
			2 doz. No. 3 Wood Scoops,	4.50			9		30	
	5	65	B. N. Achard, Scipio,	Note per B. B.						
			10 doz. 2-hoop Pails,	2.			20			
			3 " H. H. Tubs,	8.75			26	25		
			2 " Com. H. Tubs,	8.50			17			
			3 " Clothes Pounders,	2.			6			
			10 " Rolling Pins,	1.25			12	50	81	75
	"	65	Larkin & Sprong,	30 days.						
			12 doz. Royal S. Dressing,	1.			12			
			4 gro. Dixon S. Polish,	6.00			24			
			3 doz. qts. University Ink,	6.00	18					
				10 %	1	80	16	20	52	20
	"	66	Welch & Dow, Fairport.	Cash.						
			6 gro. W. Crystal,	2.75			16	50		
			50 boxes Crayon,	.07			3	50		
			25 gro. K. Wicks,	.40			10		30	
	8	65	Frank Goodspeed.	45 days.						
			2 doz. N. C. Wringers,	45.			90			
			3 " W. Shovels,	7.50			22	50		
			5 " H. H. Tubs,	8.75			43	75		
			2 Oil Tanks,	16.	32					
				25 %	8		24			
			4 doz. B. Baskets,	7.50			30			
			3 " H. Brushes,	6.			18			
			5 gro. Kinning's Bluing,	8.			40		268	25
	9	66	Welch & Dow.							
			4 doz. U. Ink,	6.	24					
				10 %	2	40	21	60		
			4 " H. H. Tubs,	8.75			35			
			5 " W. Shovels,	7.50			37	50	94	10
									712	31
		64								

CASH BOOK.

OCTOBER, 188–.

DATE.		Folio.	CASH	TO SUNDRIES.	SUNDRIES.		MDSE.		BILLS REC.		DISCOUNT.	
Oct.	1	61	H. G. Fuller,	Cash paid in,	2636	53						
	"	61	Student,	On deposit in C. Bank,	2636	53						
	2		Mdse.	Drawer sales,			95	48				
	3		Discount,	B. Vaile,		61					30	61
	4		Bills Receivable,	Leighton's note paid,					3000			
	"	61	Interest,	On above note,	31	50						
	"		Mdse.	Drawer sales,			21	19				
	5		"	" "			62	10				
	"	66	Welch & Dow,	Cash sale per S. B.	30							
	6		Bills Receivable,	Hawley & Co.'s note paid,					500			
	"	61	Interest,	On above note,	7	75						
	8	65	Frank Goodspeed,	Inv. 3d inst.	26	50						
	"		Mdse.	Drawer sales,			52	12				
	"		Bills Receivable,	Carter's note paid,					300			
	10	65	Larkin & Sprong,	Inv. Oct. 3,	30							
	"		Discount,	F. M. Reed,	38	52					38	52
					5396	91	230	89	3800		69	13
		64		Mdse.	230	89						
		61		Bills Receivable,	3800							
		66		Discount,	69	13						
					9498	83						
Oct.	11		Balance,		6149	05						

CHECK BOOK STUB.

FIRST PAGE.

Oct. 1. Balance. 2636 53
" 2. Deposited, 2000
4636 53

No. 1.

Date Oct. 3, 188–.

To Wm. Strong.

For Rent for October.

Amount 125
4511 53

No. 2.

Date Oct. 3.

To College Bank.

For Draft remitted to Vaile.

Amount 583 09
3928 44

SECOND PAGE.

3928 44
Oct. 4. Deposited, 2500
6428 44
" 9. Note favor of Fulton paid, 609 30
5819 14
" 10. Deposited, 500
6319 14

No. 3.

Date Oct. 10.

To F. M. Reed.

For On account.

Amount 1502 19
4816 95

CASH BOOK.

OCTOBER, 188–.

DATE.		Folio.	SUNDRIES	TO	CASH.	SUNDRIES.		EXPENSE.		DISCOUNT.	
Oct.	2		Expense,	Office Safe, 200; Books, 37.50				237	50		
	3	63	Lorrain Mfg. Co.	On account,		100					
	"		Expense,	Rent for October,				125			
	"	63	Byron Vaile,	Inv. Oct. 1,		612	25				
	"		Expense,	Exch. on draft,				1	45		
	4	62	S. W. Siddons,	On account,		107	44				
	8		Discount,	F. Goodspeed,							53
	9	62	Bills Payable,	Note favor Fulton,		600					
	"	61	Interest,	On above note,		9	30				
	10		Discount,	Larkin & Sprong,							30
	"	64	F. M. Reed,	Inv. Oct. 3,		1540	71				
			Expense,	Coal for office,				15	30		
						2969	70	379	25		83
		66		Expense,		379	25				
		66		Discount,			83				
						3349	78				
		66	Balance,	In Bank,	4816.95						
				" Safe,	1332.10	6149	05				
						9498	83				

LEDGER INDEX.

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Brown Bro's & S., 63.

C

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H

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O

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T

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U

V

Vaile, Byron, 63.

W

Warren, F. E., 65.
Welch & Dow, 66.

X, Y, Z

LEDGER.

H. G. FULLER.

								188–							
								Oct.	1			J.	50	3363	47
									"			C. B.	30	2636	53
														6000	00

STUDENT.

								188–							
								Oct.	1			J.	50	3363	47
									"			C. B.	30	2636	53
														6000	00

BILLS RECEIVABLE.

188–							188–					
Oct.	1	J.	50	300		Oct.	10	C. B.	30	3800	
	"	"	"	500							
	"	"	"	3000							
	3	"	51	500							
	5	"	"	81	75						
	10	"	"	300							
				4681	75						

INTEREST.

188–						188–					
Oct.	1	J.	50	7	33	Oct.	1	J.	50	8	50
	"	"	"	30			4	C. B.	30	31	50
	9	C. B.	30	9	30		6	"	"	7	75
				46	63					47	75

COWLES & HUTCHINGS, Olean.

188–						188–				
Oct.	1	J.	50	2556	14	Oct.	9	J.	51	100

W. & E, MORGAN, City.

188–						188–				
Oct.	1	J.	50	2014	66	Oct.	3	J.	51	500
							10	"	"	300
										800

BILLS PAYABLE.

188–						188–					
Oct.	9	C. B.	30	600		Oct.	1	J.	50	600	
							4	"	51	100	
							8	"	"	812	34
										1512	34

S. W, SIDDONS, City.

188–						188–					
Oct.	4	C. B.	30	107	44	Oct.	1	J.	50	307	44

LORRAIN MFG. CO., New York.

188–						188–					
Oct.	3	C. B.	30	100		Oct.	1	J.	50	490	25

BROWN BRO'S & SEAVER, Eastport.

188–								188–						
Oct.	4		J.	51	100			Oct.	1		J.	50	275	
	9		"	"	100									
					200									

BYRON VAILE, Toronto.

188–							188–							
Oct.	3	C. B.	30	612	25	Oct.	2	Inv. Oct. 1, 60 ds.	J.	51	612	25
							10	" " 7, "	"	"	376	88
											989	13

SCOVELL, HODGES & CO., New York.

188–						188–						
Oct.	8	J.	51	812	34	Oct.	4	Inv. Oct. 2, 15 ds.	J.	51	812	34

F. M. REED, Boston.

188–						188–						
Oct.	10	C. B.	30	1540	71	Oct.	5	Inv. Oct. 3, 90 ds.	J.	51	1540	71

B. N. ACHARD, Scipio.

188–						188–						
Oct.	5	S. B.	21	81	75	Oct.	5		J.	51	81	75

HOPKINS & WEEKS, Baltimore.

						188–						
						Oct.	7	Inv. Oct. 4, 60 ds.	J.	51	1316	70

GEO. P. OSGOOD, Chicago.

						188–						
						Oct.	9	Inv. Oct. 7, 30 ds.	J.	51	216	50

MERCHANDISE.

188–						188–						
Oct.	10	J.	51	4875	38	Oct.	10	S. B.	22	712	31
							"	C. B.	30	230	89
										943	29

FRANK GOODSPEED, Waverly.

188–							188–					
Oct.	3	S. B.	20	26	50	Oct.	8	C. B.	30	26	50
	8 45 ds.	"	21	268	25						
				294	75						

F. E. WARREN, New Rochelle.

188–												
Oct.	3	S. B.	20	129	51							

LARKIN & SPRONG, Groveland.

188–						188–					
Oct.	3	S. B.	20	30		Oct.	10	C. B.	30	30	
	5 30 ds.	"	21	52	20						
				82	20						

WELCH & DOW, Fairport.

188–							188–					
Oct.	5	S. B.	22	30			Oct.	5	C. B.	30	30	
	9	"	"	94	10							
				124	10							

DISCOUNT.

188–							188–					
Oct.	10	C. B.	30		83		Oct.	10	C. B.	30	69	13

EXPENSE.

188–												
Oct.	10	C. B.	30	379	25							

CASH.

188–												
Oct.	10	C. B.	30	6149	05							

It is customary in business to post the items from the various books every day, and after posting to review the work, re-examining and re-checking every entry, to detect any error which may have been made in the work, and to avoid if possible a "refractory" trial balance at the end of the month.

The following plan is sometimes substituted for the re-checking process, and proves very effective, especially where the book-keeper is provided with an assistant:

A sheet of paper or card, called a "Check Sheet," or "Check Card," of about foolscap size, ruled in narrow columns, is provided for each book from which posting is to be done. Before the work of posting begins, the assistant enters from the Index the Ledger folio against each amount which is to be posted. He then finds the account in the Ledger, and the book-keeper, after observing that he has turned to the right account, posts the entry, checking it thus √ in the book from which it was posted. After checking the entry, he takes a second look at the amount *as it stands in the Ledger*, and, while the assistant is finding the next account, he enters it upon the Check Sheet corresponding with the book from which it was posted. At the end of the day the footings of the several sheets and the footings of the corresponding books must of course agree.

The above plan is almost an absolute check upon omissions, upon a transposition of figures and upon posting to the wrong account.

The illustrations given below represent the Check Sheets of the Journal, Sales Book and Cash Book for the previous ten days' posting.

JOURNAL DEBIT CHECK SHEET.	JOURNAL CREDIT CHECK SHEET.		SALES BOOK DEBIT CHECK SHEET.	CASH DEBIT CHECK SHEET.	CASH CREDIT CHECK SHEET.
300	3363 47	15177 60	26 50	2636 53	100
500	600		129 51	2636 53	612 25
7 33	8 50		30	31 50	107 44
2556 14	307 44		81 75	30	600
3000	490 25		52 20	7 75	9 30
30	275		30	26 50	1540 71
2014 66	3363 47		268 25	30	2969 70
500	612 25		94 10	5398 81	
100	500		712 31		
81 75	812 34				
812 34	100				
100	1540 71				
300	81 75				
10302 22	1316 70				
	812 34				
	216 50				
	100				
	376 88				
	300				
	15177 60				

CONTINUED TRIAL BALANCE.

Folio.		October 10.				October 20.				October 31.			
61	H. G. Fuller,			6000		300		7000		—	—	—	—
61	Student,			6000		500		6000		—	—	—	
61	Bills Receivable,	4681	75	3800		5417	25	4381	75	6917	25	5667	25
61	Interest,	46	63	47	75	46	63	47	75	53	63	50	08
62	Cowles & Hutchings,	2556	14	100		2556	14	700					
62	W. & E. Morgan,	2014	66	800		2014	66	800					
62	Bills Payable,	600		1512	34	700		1612	34				
62	S. W. Siddons,	107	44	307	44	107	44	307	44	—	—	—	—
	Lorrain Mfg. Co.	100		490	25	290	25	490	25				
	Brown Bro's & Seaver,	200		275		200		275		—		—	
	Byron Vaile,	612	25	989	13					—	—	—	—
	Scovell, Hodges & Co.					812	34	948	61				
	F. M. Reed,					1540	71	2781	65				
	Hopkins & Weeks,			1316	70					—	—	—	—
	Geo. P. Osgood,			216	50	216	50	677	25	—	—	—	—
	Merchandise,	4875	38	943	20	7390	39	2475	89	11503	22	4496	64
	Frank Goodspeed,	294	75	26	50	386		294	75	—	—	—	
	F. E. Warren,	129	51			217	01	129	51				
	Larkin & Sprong,	82	20	30		197	95	82	20	—	—	—	—
	B. N. Achard,												
	Welch & Dow,	124	10	30									
	Discount,		83	69	13	8	90	136	32	28	78	231	88
	Expense,	379	25			479				577	96		
	Cash,	6149	05			6149	05	262	86	6661	32	262	86
	Hood & Meyers,												
	S. M. Smith,					82				—	—	—	
	Hackett & Brisbain,					218	75			—	—	—	—
	R. Richardson,					121		50					
	Tilden & Breme,							498	40				
	M. M. Eaton,												
	Wm. Gardner,									—	—	—	—

STATEMENT OCTOBER 31, 188–.

RESOURCES.

Bills Receivable,		1250 00
Mdse. Inventory,		7968 33
Expense "		200 00
Cash,		6398 46
Personal Accounts,		640 80
		16457 59

LIABILITIES.

Personal Accounts,		3474 41
Fuller's Net Investment,	6701 42	
" ½ Net Gain,	391 67	
" Present Worth,		7093 69
Student's Net Investment,	5498 42	
" ½ Net Gain,	391 67	
" Present Worth,		5890 09
		16457 59

OCTOBER, 188–.

1. H. G. Fuller and Student form a co-partnership this day, under the firm name of Fuller & Student, to engage in the wholesale business of Wooden Ware and Grocers' Sundries.

The Co-partnership articles this day executed, provide that each partner shall devote his entire time to the business; that the gains and losses shall be divided equally, and that an Interest account shall be kept between the partners.

NOTE.—Make the above as a memorandum in your Journal.

H. G. Fuller's investment: Cash paid in, 2636.53 (*C. B.*); D. G. Carter's note, dated September 5 last, at 30 days, payable at City Bank, 300.00 (*J. and B. B.*); Hawley & Co.'s note dated July 5 last, at 90 days, payable at First National Bank, with interest, 500.00 (*J. and B. B.*); Interest accrued to date on H. & Co.'s note (*J.*); Cowles & Hutchings, Olean, owe on account, 2556.14 (*J.*).

NOTE.—While it is expected that you will be obliged to refer occasionally to the forms as indicated in the transactions by the initial letters: *J.* Journal, *S. B.* Sales Book, *Ck. B.* Check Book, *C. B.* Cash Book, and *B. B.* Bill Book, it is desirable that you do so only when necessary, performing the work as much as possible from the memoranda, aided by the explanations for the various books given on page 127. In every case decide how you think the entry should be made before consulting the forms.

Student's investment: On deposit in College Bank, to the credit of the firm, 2636.53 (*C. B. and Ck. B. See note below*); E. B. Leighton's note dated August 2nd last, at 60 days, indorsed by W. D. Soules, payable at Traders' Bank, with interest, 3000.00 (*J. and B. B.*); Interest accrued to date on above note (*J.*); W. & E. Morgan, city, owe on account, 2014.66 (*J.*).

NOTE.—In the absence of a Check Book, a form for the Check Book Stub may be ruled on a sheet of foolscap paper.

Student's liabilities: Note favor Giles P. Fulton, dated July 8 last, at 90 days, payable at College Bank, with interest, 600.00 (*J. and B. B.*); Interest accrued to date (*J.*); due the following firms on account: S. W. Siddons, city, 307.44; Lorrain Manufacturing Co., New York, 490.25; Brown Bros. & Seaver, Eastport, 275.00 (*J.*).

2. Buy for cash, Office Safe, 200.00; Office Books, 37.50. (*C. B.*)
Deposit in College Bank, cash, 2000.00. (*Ck. B.*)

NOTE.—No entry is made in the Cash Book for the reason explained 23–34 page 127.

Receive Mdse. from Byron Vaile, Toronto, as per Invoice October 1, on 60 days, 5% off in 10 days, 612.25. (*J.*)

NOTE.—See Business Forms on last pages of text book, for illustration of letter ordering the above invoice, also see explanations 4–7, page 127.

Sales for cash, per drawer, 95.48. (*C. L.*)

3. Pay Lorrain Mfg. Co. cash on a/c, 100.00. (*C. B.*)
Pay Wm. Strong rent of store one month in advance, by your check on College Bank, 125.00. (*C. B. and Ck. B.*) explanation

NOTE.—See explations 25, page 127.

Sell Frank Goodspeed, Waverly, 1 doz. No. 1 Oval Chopping Trays, @ 5.00; 2 Glass Cheese Safes, @ 4.50; 10 nests F. Pails, @ 1.25. (*S. B.*)

NOTE.—All sales on 60 days time unless otherwise noted.

Sell F. E. Warren, New Rochelle, 3 doz. Novelty D. Z. Washboards, @ 2.50; 5 doz. Eagle S. Z. Washboards, @ 1.75; 5 M No. 4 Paper Bags, @ 1.75, less 10%; 3 doz. 13 inch Butter Bowls, @ 1.75; 4 doz. Cov. W. D. Baskets, @ 2.50; 2 doz. O. C. Trays No. 2, @ 5.00; 1½ doz. No. 10 Feather Dusters, @ 20.00 and 1 doz. No. 12, @ 26.50, less 25 and 10%; 10 gro. Gates' Matches, @ 2.70; 6 Broom Racks, @ 2.50. (*S. B.*)

NOTE.—See Business Forms on last pages of the text book for illustration of above invoice.

Receive of W. & E. Morgan their note at 10 days, payable at Traders' Bank, on a/c, 500.00. (*J. and B. B.*)

NOTE.—Care must be exercised in making the entries in the Journal and Cash Book, or errors will be made by placing amounts in the wrong columns.

3. Buy a New York draft at ¼% exchange, and remit to Byron Vaile for Invoice September 30, 612.25, less 5%. Give your check on College Bank to cover the draft and exchange. (*C. B. and Ck. B.*)

NOTE.—See Business Forms on last pages of the text book for illustration of letter accompanying the above remittance.

Sell Larkin & Sprong, Groveland, 30 days, 2 doz. Wood Shovels, @ 7.50; 25 lbs. Cotton Twine, @ 24c.; 2 doz. No. 3 Wood Scoops, @ 4.50. (*S. B.*)

4. Pay S. W. Siddons, cash on %, 107.44. (*C. B.*)

Receive Mdse. from Scovell, Hodges & Co., New York, per Invoice, October 2 on 15 days. 812.34. (*J.*)

Receive cash for a note due to-day. (*C. B. and B. B.*)

Deposit cash in College Bank, 2500.00. (*Ck. B.*)

Sales for cash, per drawer, 21.19. (*C. B.*)

Give Brown Bros. & Seaver your note at 10 days, payable at College Bank, on %, 100.00. (*J. and B. B.*)

5. Receive Mdse. from F. M. Reed, Boston, per Invoice October 3, on 90 days, 1540.71. (*J.*)

Sales for cash, per drawer, 62.10. (*C. B.*)

Sell B. N. Achard, Scipio, on his note at 10 days, payable at College Bank, 10 doz. 2-Hoop Pails, @ 2.00; 3 doz. Heavy Hoop Tubs, @ 8.75; 2 doz. Com. Hoop Tubs, @ 8.50; 3 doz. Clothes Pounders, @ 2.00; 10 doz. Rolling Pins, @ 1.25. (*S. B., J. and B. B.*)

NOTE.—Bills Receivable instead of Achard might have been debited in the Sales Book, and then no Journal entry would have been required. As now made the entries could be checked in both Sales Book and Journal to obviate the necessity of opening an account with Achard in the Ledger. If, as in this case, however, it is desired to know at the end of the year the amount of goods sold to a customer, it is better to open an account with him and post all bills, even though paid for at the time of purchase.

Sell Larkin & Sprong, 30 days, 12 doz. Royal Shoe Dressing, @ 1.00; 4 gro. Dixon's Stove Polish, @ 6.00; 3 doz. qts. University Ink, @ 6.00, 10% off. (*S. B.*)

Sell Welch & Dow, Fairport, for cash, 6 gro. Washing Crystal, @ 2.75; 50 boxes Crayon, @ 7c.; 25 gro. No. 2 Kerosene Wick, @ 40c. (*S. B. and C. B.*)

NOTE.—See note under sale to B. N. Achard, above.

6. Receive cash for a note due to-day. (*C. B. and B. B.*)

7. Receive Mdse. from Hopkins & Weeks, Baltimore, per Invoice October 4, on 60 days, 1316.70. (*J.*)

8. Receive from Frank Goodspeed, a draft on New York for Invoice 3d inst., 26.50, less 2%. (*C. B.*)

Sales for cash, per drawer, 52.12. (*C. B.*)

Receive cash for a note due to-day. (*C. B. and B. B.*)

Sell Frank Goodspeed, on 45 days, 2 doz. N. C. Wringers, @ 45.00; 3 doz. Wood Shovels, @ 7.50; 5 doz. H. H. Tubs, @ 8.75; 2 Oil Tanks, @ 16.00, less 25%; 4 doz. Bushel Baskets, Oak, @ 7.50; 3 doz. Horse Brushes, @ 6.00; 5 gro. Kinning's Bluing, @ 8.00.

NOTE.—Write up this invoice on foolscap paper.

Give Scovell, Hodges & Co. your note at 10 days, payable at College Bank, for Invoice October 2, 812.34.

9. Receive Mdse. from Geo. P. Osgood, Chicago, per Invoice October 7, 30 days, 216.50.

Your note due at College Bank, has been charged to your account. (*C. B., B. B and Ck. B.*)

Sell Welch & Dow, 4 doz. qts. University Ink, @ 6.00, less 10 %; 4 doz. H. H. Tubs, @ 8.75; 5 doz. W. Shovels, @ 7.50.

Draw a draft on Cowles & Hutchings, Eastport, at 30 days sight, and remit it to Brown Bros. & Seaver, on %, 100.00. (*J.*)

10. Receive from Larkin & Sprong, cash for Invoice October 3d, 30.00, less 1%. (*C. B.*)

Deposit cash in College Bank, 500.00. (*Ck. B.*)

Receive Mdse. from Byron Vaile, per Invoice October 7, on 60 days, 376.88.

Give F. M. Reed your check on College Bank for Invoice October 3, 1540.71, less 2½%. (*C. B. and Ck. B.*)

Pay cash for Coal, for Office use, 15.30.

Receive of W. & E. Morgan, their note at 10 days, payable at Traders' Bank, to apply on %, 300.00. (*J. and B. B.*)

You may now post the entries for the foregoing ten days' business. See explanations and illustrations on page 134 for using check sheets. Give each account one-fourth of a page space. First post from the Journal. See 4 to 8, page 127, for instructions. See also the Journal form on page 128, showing the columns footed and ruled. Use the Ledger folio to check the posting. The pages of your books will not, of course, correspond with those given in the forms. After opening an account in the Ledger, place the title in the index, together with the number of the page upon which it is opened. See illustration on page 131, also see explanations on page 127. Next post from the Sales Book; see 13–15, page 127. See also form of Sales Book on page 129, showing the Mdse. column footed and ruled.

Balance and prove the cash before commencing to post from the Cash Book. For instructions, see 34–37 page 127. See form of Cash Book on pages 130 and 131, showing the manner of footing and ruling the columns, and bringing down the balance of cash on hand. Cash in Safe, 1332.10; Balance in Bank, shown by Check Book Stub, page 130, 4816.95.

After you have completed the posting, your Ledger should correspond with the one given on pages 132–3–4. Next take a trial balance, using the Continued Trial Balance form as illustrated on page 135. See 40–41 page 127. If no such form is provided in your Trial Balance book, you may rule one. The Ledger titles are all to be entered in the trial balance; but those which balance need not be extended. The footings of the columns are not given in the form; you are to foot and prove them, however, as heretofore. You need not rule up any of the personal accounts, even when settled in full, but continue the pencil footings until the end of the month, in order that the footing of each person's account in the Ledger may show the entire amount of goods bought of or sold to him during that period. Business men frequently carry out this plan through an entire year's business.

After completing the trial balance, continue the work in the same manner as in the preceding ten days' business.

Write up the business forms wherever called for by the Memoranda, and take particular pains with the penmanship, spelling and general appearance of these documents.

OCTOBER 188–

11. Sales for cash per drawer, 65.30.
Deposit cash in College Bank, 400.00.

12. Sell M. M. Eaton, Seneca, on his note at 15 days, payable at Farmers' Bank, 6 doz. C. Brooms, @ 3.00; 2 doz. C. Trays, @ 5.00; 2 doz. N. D. Z. Washboards, @ 2.50; 10 doz. U. Ink, @ 6.00 less 12½%. (*S. B., J. and B. B.*)
Student draws for private use by check on College Bank, 500.00. (*C. B. and Ck. B.*)

14. Received from Frank Goodspeed cash for Invoice Oct. 8, 268.25, less 1½%.
Leave M. M. Eaton's note at College Bank for collection. (*B. B.*)

NOTE.—In the column in the Bill Book headed "When and How Disposed of," say "Oct. 14, left at College Bank for collection."

Receive from Scovell, Hodges & Co. Mdse. per Invoice Oct. 9, at 15 days, 136.27.
Sell F. E. Warren 3 doz. Willow Clothes Baskets, @ 9.00; 4 doz. Willow Market Baskets, @ 3.50; 5 doz. Cherry Knife Trays, @ 4.50; 3 M Crown Butter Dishes, @ 10.00, less 20 %.
Sell Frank Goodspeed 5 doz. H. H. Tubs, @ 8.75; 3 doz. Bush. Baskets, Oak, @ 7.50; 20 Nests F. Pails, @ 1.25.

15. Give Lorrain Mfg. Co. your check on College Bank, on %, 90.25.
Accept Lorrain Mfg. Co.'s draft on you at 10 days sight, payable at College Bank, favor of D. Leary, to apply on %, 100. (*J. and B. B.*)
Pay cash for Postage, 2.75.
Buy of Hood & Meyers, City, on 60 days, Mdse. per Invoice Oct. 15, 178.65.

16. Sales for cash per drawer, 136.15.
Give Hopkins & Weeks your check on College Bank, for Invoice Oct. 7, 1316.70, less 2½%.
Sell S. M. Smith, City, on ten days, 10 gro. Lead Pencils, @ 1.00; 5 doz. Cotton Clothes Lines, @ 2.00; 10 doz. P. B. Dishes, @ 5.50, less 20%; 1½ doz. Feather Dusters, @ 20.00, less 40%.
Receive from Geo. P. Osgood, Mdse. per Invoice Oct. 12, 30 days, 460.75.
Receive of Larkin & Sprong, cash for Invoice Oct. 5, 52.20, less 1%.
Receive cash for a note due to-day.
Deposit cash in College Bank, 1500.00.
H. G. Fuller draws for private use by check on College Bank, 300.00.

17. Remit Geo. P. Osgood your certified check on College Bank, for Invoice Oct. 7, 216.50, less 3%.

NOTE.—Write up this check on foolscap paper. See Business Forms, on last pages of text book, for certified check.

Sell Larkin & Sprong 2 doz. No. 10 F. Dusters, @ 20.00, less 25 and 10%; 5 doz. H. H. Tubs, @ 8.75; 6 doz. B. Baskets, @ 7.50.

Sales per cash drawer, 162.50.

Receive from Cowles & Hutchings their note at 5 days, payable at Exchange Bank, to apply on %. 600.00.

Sell Hackett & Brisbain, Clinton, 3 doz. N. D. Z. Washboards, @ 2.50; 5 doz. C. K. Trays, @ 4.50; 10 doz. B. Brooms, @ 2.00; 5 doz. H. H. Tubs, @ 8.75; 10 gro. U. Ink, @ 6.00, less 10%; 6 doz. B. Baskets, @ 7.50; 2 doz. No. 10 F. Dusters, @ 20.00, less 35%.

Receive from F. E. Warren a draft on New York for Invoice Oct. 3, 129.51, less 2%.

Your note due to-day at College Bank, charged to your %.

18. Pay Clerks' salaries in full to date, in cash, 87.75.

Deposit in College Bank, cash, 400.00.

Give Hood & Meyers your check on College Bank for Invoice Oct. 15, 178.65, less 5%.

H. G. Fuller makes an additional cash investment of 1000.00.

Receive Mdse. from F. M. Reed per Invoice Oct. 14, on 90 days, 1240.94.

Sell Ralph Richardson, Oneida, 20 gro. G. Matches, @ 2.70; 4 doz. 12 inch B. Bowls, @ 1.75; 6 doz. N. D. Z. Washboards, @ 2.50; 2 doz. No. 1 O. C. Trays, @ 5.00; 4 doz. H. H. Tubs, @ 8.75. Receive his note at 10 days, payable at College Bank, 50.00; balance on %, 60 days. (*S. B., J. and B. B.*)

NOTE.—Richardson being debited in the Sales Book 121.00, and credited in the Journal 50.00, when these entries shall have been posted, the difference in his account will show the balance still due.

Receeive cash for a note due to-day.

Sales per cash drawer, 228.79.

19. Receive cash from Welch & Dow for Invoice Oct. 9, 94.10, less 1%.

Sell Wm. Gardner, for cash, 3½ doz. Maud S. Halters, @ 7.50; 4 doz. Curry Combs, @ 1.50; 2 doz. Curry Cards, @ 1.25; 2½ doz. Horse Brushes, @ 6.00.

20. Receeive Mdse. from Tilden & Breme, Oswego, per Invoice Oct. 17, on 60 days, 498.40.

Deposit Cash in College Bank, 1000.00.

Sales per cash drawer, 88.45.

Buy for cash, a New York draft at ¼% exchange, and remit to Byron Vaile for Invoice Oct. 7, 376.88, less 5%.

Pay cash for cartage, 8.35.

You may now balance the Cash Book. The footings of the columns on the debit side of the Cash Book should be as follows: Sundries, 7742.86; Mdse., 681.19; Bills Receivable, 581.75; Discount, 67.19. On the credit side Sundries, 3078.98; Expense, 99.75; Discount, 8.07. Prove the cash; see 34–37, page 127. In Safe, 422.99; in Bank, as shown by Check Book, 5463.20.

Next post and take a trial balance, in accordance with the directions given at the end of the first ten days' business on pages 134 and 138. In posting to Cash account, enter on the credit side 262.86, the payments of cash having exceeded the receipts by that amount since the last posting. See 31–33, page 127.

Remember to place all new accounts in the Index as soon as opened in the Ledger. Add new accounts to the trial balance, as shown on page 135.

After completing the trial balance, continue the work as before.

OCTOBER, 188–.

21. Accept Lorrain Manufacturing Co.'s draft on you in favor of themselves, at 1 day sight, payable at College Bank, 100.00.

Deposit cash in College Bank, 200.00.

Sell Frank Goodspeed, 1 gro. Tytler's Axle Grease, @ 9.00; 2 gro. K. Bluing, @ 8.00; 100 Grain Bags, @ 22c. ea.; 2 M No. 4 Paper B. Dishes, @ 5.50, less 20%.

Your note due to-day charged in at College Bank.

22. Receive Mdse from Byron Vaile per Invoice Oct. 19th, on 90 days, 975.00.
Receive of W. & E. Morgan their note at 60 days, endorsed by Thos Field, payable at Traders' Bank, on a/c, 500.00.

NOTE.—Draw up this note on foolscap paper. See Business Forms on last pages, for illustration of note with Endorser.

Receive of S. M. Smith, his check on Flower City Bank, in payment of Invoice Oct. 16, 82.00.
Sales for cash, per drawer, 209.14.

23. Sell S. M. Smith, 4 doz. Mouse Traps, @ 50c.; 6 doz. Taylor Mops, @ 1.50; ½ doz. Novelty C. Wringers, @ 45.00; ⅛ doz. No. 14 F. Dusters, @ 30.00, less 25 and 10 %.
Receive cash for a note due to-day.
Receive F. E. Warren's check on Farmers' Bank, New Rochelle, for Invoice Oct. 14, 87.50, less 2 %.
Hackett & Brisbain return for credit 2 doz. F. Dusters from Invoice 17th inst.

24. Remit Scovell, Hodges & Co. a New York draft, which you will purchase by check on College Bank, at ¼ % exchange, in payment of Invoice Oct. 9, 136.27, less 2½ %.

NOTE.—Write the above draft on foolscap paper, and procure from the teacher blank letter sheet and envelope, and write to Scovell, Hodges & Co., enclosing the above remittance. See page 77, also Business Forms on last pages of text book for illustrations. In folding the letter, fold it first from the bottom to one-half its length, or as far as is necessary to fit the length of the envelope, and then fold from the side to one-third its width, or as far as is necessary to fit the width of the envelope.

Sales for cash, per drawer, 115.00.
Deposit in College Bank Currency, 500.00 and Warren's check, 85.75. The bank deducts 25c. for collection of check.

25. Sell F. E. Warren 10 doz. C. Brooms, @ 3.50; 5 doz. H. H. Tubs, @ 8.75; 8 doz. C. K. Trays, @ 4.50; 10 doz. qts. University Ink, @ 6.00, less 12½ %; 5 doz. C. C. Lines, @ 2.00; 10 doz. B. Baskets, @ 7.50; 200 Grain Bags, @ 20 c. ea.; 1½ doz. No. 14 F. Dusters, @ 30.00, less 25 and 10 %; 25 Nests F. Pails, @ 1.25; 5 doz. W. C. Baskets, @ 9.00.
Your acceptance due to-day, charged in at College Bank.
Receive Mdse. from Hopkins & Weeks per Invoice Oct. 20th, on 60 days, 1863.66.
Receive of Cowles & Hutchings their check on Exchange Bank, 200.00, for payment on their note of 600.00, due to-day. They renew the balance by giving a note at 30 days, with interest.

NOTE.—Credit Bills Receivable in Cash Book, 200. Enter the new note of 400.00 in Bill Book, and opposite old note in Bill Book state how it was disposed of.

Memorandum: Procure from the teacher letter sheet and envelope, and write to Tilden & Breme, Oswego, ordering the following Mdse.: 25 doz. No. 1 O. C. Trays, 25 doz. B. Baskets, 15 doz. Barrel Covers, 20 doz. H. H. Tubs, 20 doz. Com. H. Tubs, 5 doz. Novelty C. Wringers, 50 doz. "Gem" Paper Pails, 30 doz. "Queen" Paper Pails. (*See Business Forms on last pages for illustrations.*)

27. Receive from F. Goodspeed cash for Invoice Oct. 14, 91.25, less 2 %.
W. & E. Morgan present Lorrain Mfg. Co.'s sight draft on you for 100.00, which you pass to the credit of their account.
Sales for cash, per drawer, 227.09.
Sell Ralph Richardson 5 doz. N. D. Z. Washboards, @ 2.50; 10 doz. B. Brooms, @ 2.00; 5 doz. C. H. Tubs, @ 7.42; 1½ doz. No. 12 F. Dusters, @ 26.50, less 30 and 5 %; 1 doz. Novelty C. Wringers, @ 45.00; 50 Grain Bags, @ 22c.
Give S. W. Siddons your check on College Bank, to apply on a/c, 100.00.
Get W. & E. Morgan's note of 500.00, received 22d inst., discounted at College Bank; proceeds placed to your credit. (*C. B., Ck. B. and B. B.*)

NOTE.—Debit Interest Account for the discount on the above note to avoid entering it in the discount column, which is intended for the discount on prepayment of Invoices of Mdse. only.

Pay Gas Bill to date in cash, 5.40.
Receive Mdse. from Tilden & Breme per Invoice Oct. 26, on 60 days, 1248.17.

28. Receive from F. E. Warren a draft on New York for Invoice Oct. 25, 398.87, less 2 %.
Sales for cash, per drawer, 74.25.

28. Deposit cash in College Bank, 1000.00.

Remit F. M. Reed a draft on Boston, which you will purchase at College Bank by check, at ¼% exchange, in payment of Invoice Oct. 14, 1240.94, less 2½ %.

Receive of Cowles & Hutchings to apply on their note of Oct. 25, cash, 200.00.

NOTE.—Draw up this note on foolscap paper, and make the proper indorsement. See Business Forms on last pages for illustration of note with indorsement.

Your acceptance due to-day, charged in at College Bank.

29. Sell Hackett & Brisbain, 4 gro. D. S. Polish, @ 6.00; 3 doz. U. Ink, @ 6.00, less 10 %; 12 doz. R. S. Dressing, @ 1.00.

Receive of Ralph Richardson cash for balance due on Invoices of Oct. 18 and Oct. 27, 223.03, less 2 %.

30. Sales for cash, per drawer, 319.32.

Deposit cash in College Bank, 450.00.

Sell Larkin & Sprong 10 doz. Paper Pails, @ 5.50; 360 lbs. ½-inch Manilla Rope, @ 16c.; 10 doz. Potato Mashers, @ 75c.; 5 Oil Tanks, @ 16.00, less 25 %; 10 doz. Barrel Covers, @ 5.00; 5 doz. Bush. Baskets, @ 7.50; 3 M Crown Butter Dishes, @ 6.00, less 20 %; 4 doz. No. 10 F. Dusters, @ 20.00, less 25 and 10 and 5 %.

31. Remit Tilden & Breme a draft on New York, which you will purchase at College Bank by check, at ¼ % exchange, in payment of Invoices Oct. 17 and Oct. 26, 1746.57, less 3½ %.

College Bank has collected Eaton's note due yesterday, and placed same to your credit less cost of collection, 25c.

Receive of Cowles & Hutchings, to balance %, cash 856.14 and their note endorsed by D. W. Powers, at 4 months, payable at Exchange Bank, with interest, 1000.00.

Receive cash of Hackett & Brisbain for Invoice Oct. 17, 218.75, less Mdse. returned for credit Oct. 23, 26.00, and 2 % of balance.

Receive cash of W. & E. Morgan, to balance %, 614.66.

Sell Wm. Gardner, 30 days, 3 doz. Curry Combs, @ 1.50; 4 doz. H. Brushes, @ 6.00; 2 doz. Maud S. Halters, @ 7.50.

Pay clerks' salaries in full to date, 85.50.

Deposit cash in College Bank, 2000.00.

Make an entry for the interest upon the following transactions as provided for in the copartnership agreement: H. G. Fuller drew for private use, Oct. 16, 300.00. Student drew for private use, Oct. 12, 500.00. H. G. Fuller made an additional investment, Oct. 18, 1000.00. (*J.*)

NOTE.—[46] Debit each partner interest upon amounts drawn out by him from the time of such withdrawal to the time of settlement, and credit him interest upon amounts invested by him from the time of such investment to the time of settlement. [47] It is unnecessary to compute interest upon the original investments when they are equal, as in this case, because the interest balance to each partner's account would not be affected thereby.

INVENTORIES, OCTOBER 31, 188–.

MERCHANDISE—per Inventory Book,	7968 33
EXPENSE—Office Safe,	200 00

You may now prove the cash and balance the Cash Book. In Safe, 267.46; In Bank, 6131.00. The footings of the columns on the debit side of the Cash Book should be as follows: Sundries, 8432.39; Mdse, 944.80; Bills Receivable, 1285.50; Discount, 95.56. On the credit side, Sundries, 4240.95; Expense, 98.96; Discount, 19.88.

[44] It is customary, in business, to prove the cash every day, [45] not necessarily closing the Cash Book, as the columns may be footed in pencil, and the proof taken upon a separate sheet.

After posting take a trial balance and make a statement giving the results of the business, as shown in the form on page 135, after which close and rule up all the Ledger accounts. Before closing the Mdse. account close Discount account into it. Discount is only kept here as a separate account to enable us to determine the amount of allowances upon invoices prepaid. If this information were not desired, Mdse. might be debited and credited for the allowances at the time of making them.

QUESTIONS FOR REVIEW.

Page 126.—[1] What is this set designed to illustrate? [2] What advantages are derived from the methods illustrated, and how obtained? [3] For what purpose might it be necessary to change the forms of books as here used, and how could the change be made?

Page 127.—[4] What is the peculiar feature of the Journal as used in this set? [5] In what way is the combination of the two books effected? [6] Explain the use of the extra column. [7] How is it posted? [8] How are the items in the Sundries column posted? [9] What disposition is made of the Invoices? [10-11] If pasted in an Invoice Book, how may this book be used? [12] Explain the use of the Sales book. [13] What disposition is made of the net amount of each sale? [14] What course is pursued with the last column? [15] How posted? [16] How may an additional advantage be secured from the Sales Book? [17] Explain the use of the Check Book. [18] Is it necessary to open a bank account in the Ledger? [19] What entry is made for a deposit? [20] How does this debit the bank? [21] What entry is made when a check is drawn? [22] How does this credit the bank? [23] Is an entry to be made in the Cash Book when cash is deposited? [24] Why not? [25] When checks are drawn upon the bank, in what other book beside the Check Book is the entry made? Why? [26] Explain the use of the Cash Book. [27] How arranged? [28] For what purpose? [29] How are the special columns posted? [30] How are the items in the Sundries columns posted? [31] How is the cash posted? [32] How posted if the balance of cash is less than at the last posting? [33] How if more? [34] How is the total debit of cash found? [35] The total credit? [36] What will the difference show? [37] How is the cash on hand found? [38] How is the Bill Book to be kept in this set? [39] Can it be kept as a principal book? Why is it not usually so kept? [40] What name is given to the trial balance used in this set? [41] What advantage is derived from its use? [42] Describe a convenient form for a Ledger Index. [43] When the number of accounts is large, what form of Index is generally used?

Page 141.—[44] How frequently is the cash proved in business? [45] How may it be proved without closing the Cash Book? [46] How is the interest account between the partners adjusted [47] When the original investments are equal why is it unnecessary to compute interest upon them?

NOTE.—Should the teacher consider it desirable the student may be required to draw up all of the papers and forms in the foregoing memoranda. In the absence of an actual business department especially, it would be best to make such a requirement.

RETAILER'S BOOKS,

(DOUBLE ENTRY,)

DESIGNED FOR RETAIL GROCERIES, MARKETS, SHOPS, ETC.

[1] The following arrangement of books and records is designed to illustrate a popular system of book-keeping for a retail business. While it does not strictly conform to the principles of Double Entry book-keeping, inasmuch as the Merchandise account is not made to show all of the purchases and sales, yet the final results are just as accurate, and are obtained at a great saving of time and labor.

[2] The books required are an Order Book, Cash Book, Journal, Personal Ledger and Ledger. The Order Book and Personal Ledger are used as auxiliary books; the others as principal.

The [3] Order Book is a cheap, coarse book, made usually with a page about twelve inches long and five inches wide, and lies upon the counter. In it are entered the orders as they are received during the day. [4] Goods to be delivered, that are paid for when ordered, are entered regularly in the Order Book, and the word "Paid" written across the order. [5] If not paid, the items are entered in the purchaser's account in the Personal Ledger at the close of the day's business.

[6] The Cash Book does not differ from the form already illustrated, and is used as a principal book. It need not be closed oftener than once a week, or once a month The first column on the debit side is devoted to cash sales of Mdse.

[7] The Journal contains all entries excepting those made in the Cash Book. [8] The Journal may be dispensed with by using the Cash Book as illustrated in the Cash Method, on pages 110–111.

[9] The Personal Ledger contains accounts with customers only, and is entirely an auxiliary book. [10] Sales on account are regarded as merchandise on hand until the accounts are paid, at which time Merchandise is credited with such payments. [11] The ordinary Journal ruling is considered preferable for a Personal Ledger of this character, as it affords more room for items. [12] All statements may be made out from the Personal Ledger without referring to any other book.

[13] The Ledger is used as in any other business.

The student will be expected to post and take a Trial Balance at the end of the first week, and close the Ledger at the end of the second week. [14] The accounts in the Personal Ledger will have to be included in the inventory in closing the Merchandise account. [15] No Bank account will be kept in the Ledger. [16] The Cash Book will exhibit all cash in bank and on hand, as illustrated in the Wholesale Business on page 131. [17] You will credit Cash when a check is given, and make no entry for deposits, except in the Check Book.

Mrs. J. H. Smith 18 Brown St.

188-						
Nov	1	1 lb J Tea 50, 10 lb G. Sug 1 05, 1 gal N.O. Mol 45	2			
	2	5 bu Potatoes 3 00, 3 doz Eggs 54, 5 lb Butter 1 25	4	79		
			6	79		
	3	Cash			5	
		5 lb Chicken 66, 10 B Sug 90, 5 Mackil 40	1	96		
	5	3 " Crackers 30, 1 Lemon Ex. 20		50		
		1 pkg Pepper 25, 2 gal K. Oil 30		55		
		3 C. Fish 24, 10 A. C. Sug 1 00	1	24		
			11	04		
		Cash			5	
					10	
	8	1 pk S. Potatoes 50, 1 10 lb bag Salt 20		70		
		1 N. Tub 80, 1 bbl Apples 2 00	2	80		
	8	Cash			4	54
			14	54	14	54
	9	10 lb G. Sug 1 05, 4 Chicken 48, 2 qt Oysters 60	2	13		
	11	1 bbl N.P. Flour 8 75, 2 R. Coffee 64	9	39		
			11	52		
	12	Cash			10	

JOHN WILSON, 119 Fourth Street.

188-						
Nov.	1	10 lbs. A. C. Sugar, 95; 4½ C. Fish, 36	1	31		
		2 J. Coffee, 70; 5 gal. K. Oil, 75	1	45		
	3	Cash,	2	76	2	76
	4	4 lbs. Crackers, 40; 4 bu. Potatoes, 2 40	2	80		
		1 bag Salt, 20; 3 Raisins, 36		56		
	6	1 box Starch, 40; 2 cans Oysters, 60	1			
		1 bbl. Apples, 2 00; 1 cake Chocolate, 35	2	35		
			6	71		
	8	Cash,			5	
	12	2 bas. Peaches, 2 40; 10 B. Sugar, 95; 1 pk. S. Potatoes, 60	3	95		

W. L. WOOD, 26 State Street.

188-						
Nov.	1	3 doz. Eggs, 60; 10 lbs. B. Sugar, 90	1	50		
		5 bu. E. R. Potatoes, 3 00; 2 W. Pails, 40	3	40		
	2	10 lbs. Butter, 2 50; 5 Chicken, 60; 10 A. C. Sugar, 95	4	05		
	4	10 G. Sugar, 1 05; 5 K. Oil, 75; 5 C. Fish, 40; 3 lbs. Crackers, 30	2	50		
			11	45		
	5	Cash,			10	
	8	1 box Soap, 4 15; 1 pk. S. Potatoes, 50; 3 doz. Eggs, 60	5	25		
	11	2 J. Coffee, 70; 1 lb. J. Tea, 50; 1 N. P. Flour, 8 75	9	95		
			26	65		
	13	Cash,			10	
					20	

ORDER BOOK.

NOVEMBER 1, 188–.

Mrs. J. H. Smith, 18 Brown St.				
1 lb. Jap. Tea,		.50		
10 " Gran. Sugar,	10½,	1.05		
1 gal. N. O. Molasses,		.45		
			2	
W. L. Wood, 26 State St.				
3 doz. Eggs,	20,	.60		
10 lbs. B. Sugar,	9,	.90		
5 bu. E. R. Potatoes,	60,	3.00		
2 W. Pails,	20,	.40		
			4	90
John Wilson, 119 Fourth St.				
10 lbs. A. C. Sugar,	9½,	.95		
4½ " C. Fish,	8,	.36		
2 " J. Coffee,	35,	.70		
5 gal. K. Oil,	15,	.75		
			2	76
A. C. Davis, 126 Tremont St.				
15 lbs. G. Sugar,	10½,	1.58		
10 " B. "	9,	.90		
5 bu. Potatoes,	60,	3.		
5 lbs. L. Raisins,	13,	.65		
			6	13
B. J. Brown, 38 St. Paul St.				
1 lb. Y. H. Tea,		.48		
15 lbs. A. C. Sugar,	9½,	1.43		
5 " C. Fish,	8,	.40		
1 gal. S. H. Syrup,		.68		
			2	99
F. G. Ransom, 98 Spring St.				
10 lbs. A. C. Sugar,	9½,	.95		
5 bu. Potatoes,	60,	3.		
1 lb. Jap. Tea,		.50		
2 lbs. J. Coffee,	35,	.70		
			5	15

NOVEMBER 2, 188–.

W. L. Wood, 26 State St.				
10 lbs. Butter,	25,	2.50		
5 " Chicken,	12,	.60		
10 " A. C. Sugar,	9½,	.95		
			4	05
Mrs. J. H. Smith, 18 Brown St.				
5 bu. Potatoes,	60,	3.		
3 doz. Eggs,	18,	.54		
5 lbs. Butter,	25,	1.25		
			4	79
D. Lucas, 10 Jones St.				
10 lbs. B. Sugar,	9,	.90		
5 bu. Potatoes,	60,	3.		
10 lbs. Butter,	25,	2.50		
			6	40
A. C. Davis, 126 Tremont St.				
10 lbs. Butter,	25,	2.50		
10 " A. C. Sugar,	9½,	.95		
1 " Jap. Tea,		.50		
			3	95

NOVEMBER 3, 188–.

F. G. Ransom, 98 Spring St.				
10 lbs. Butter,	25,	2.50		
5 " Chicken,	12,	.60		
1 gal. K. Oil,		.15		
			3	25

ORDER BOOK.

NOVEMBER 3, 188–.

Mrs. J. H. Smith, 18 Brown St.				
5½ lbs. Chicken,	12,	.66		
10 " B. Sugar,	9,	.90		
5 " Mackerel,	8,	.40		
			1	96
D. Lucas, 10 Jones St.				
6 lbs. Chicken,	12,	.72		
5 doz. Eggs,	18,	.90		
2 Brooms,	25,	.50		
2 W. Pails,	25,	.50		
			2	62
B. J. Brown, 38 St. Paul St.				
1 Broom,		.25		
6 lbs. Chicken,	12,	.72		
10 " Gran. Sugar,	10½,	1.05		
			2	02

NOVEMBER 4, 188–.

W. L. Wood, 26 State St.				
10 lbs. Gran. Sugar,	10½,	1.05		
5 gals. K. Oil,	15,	.75		
5 lbs. C. Fish,	8,	.40		
3 " Crackers,	10,	.30		
			2	50
John Wilson, 119 Fourth St.				
4 lbs. Crackers,	10,	.40		
4 bu. Potatoes,	60,	2.40		
1 bag Salt, 10 lbs.,		.20		
3 lbs. Raisins,	12,	.36		
			3	36
A. C. Davis, 126 Tremont St.				
1 box Pepper,		.25		
1 Ex. Lemon,		.20		
5 K. Oil,	15,	.75		
3½ lbs. Chicken,	12,	.42		
			1	62
D. Lucas, 10 Jones St.				
3 lbs. Crackers,	10,	.30		
2 " J. Coffee,	35,	.70		
2 gals. K. Oil,	15,	.30		
10 lbs. G. Sugar,	10½,	1.05		
			2	35

NOVEMBER 5, 188–.

Mrs. J. H. Smith, 18 Brown St.				
3 lbs. Crackers,	10,	.30		
1 Lem. Extract,		.20		
1 box Pepper,		.25		
2 gals. K. Oil,	15,	.30		
3 lbs. C. Fish,	8,	.24		
10 " A. C. Sugar,	10,	1.		
			2	29
B. J. Brown, 38 St. Paul St.				
5 bu. Potatoes,	60,	3.		
3 lbs. J. Coffee,	35,	1.05		
5 " Butter,	25,	1.25		
			5	30
F. G. Ransom, 98 Spring St.				
1 box Pepper,		.25		
10 lbs. G. Sugar,	10½,	1.05		
2 Brooms,	25,	.50		
2 W. Pails,	20,	.40		
			2	20

CASH BOOK.

NOVEMBER, 188–

Nov.	1	Student,	Investment,			2500	
	"	Mdse.	Cash sales,	28	45		
		"	" "	27	90		
	2	"	" "	48	90		
	3	"	" "	92	32		
	4	"	" "	92	25		
	5	"	" "	105	95		
	6					395	77
						2895	77
Nov.	7	Balance,				1623	75

JOURNAL.

NOVEMBER 1, 188–.

	Mdse.		1087	50		
		To H. A. Brewster,			1087	50
		Invoice due in 10 days				
		2.				
	Mdse.		327	50		
		To Geo. C. Buell & Co.			327	50
		Invoice due in 30 days.				
		3.				
	Student,		6	50		
		To Mdse.			6	50
		Private use.				
		5				
	Mdse.		117	50		
		To Geo. C. Buell & Co.			117	50
		Invoice due in 30 days.				
		"				
	Mdse.		63	18		
		To H. A. Brewster & Co.			63	18
		Invoice due in 10 days.				
		6.				
	Student,		9	80		
		To Mdse.			9	80
		Private use.				

CASH BOOK.

NOVEMBER, 188–

Nov.	1	Expense,	Iron Safe,	100			
	"	"	Horse, 125; Harness, 12,	137			
	"	"	Wagon,	60			
	"	"	P. Scales, 35; C. Scales, 26,	61			
	"	"	Office Books,	7			
	"	Mdse.	Invoice of S. P. & Co.	672	27		
	3	"	Vegetables, Poultry, etc.	39	84		
	"	Student,	Private use,	10			
	4	Mdse.	Vegetables, Poultry, etc.	36	24		
	"	"	Crackers, etc., J. Howe & Son,	38	92		
	"	Expense,	Hay, Oats, etc.	28	75		
	5	"	Insurance,	15			
	"	"	Horseshoeing,	2	50		
	6	"	Stuart & Co., Carpenter Work,	26	50		
	"	Student,	Private use,	15			
	"	Expense,	J. Dunn, 10; R. H. King, 12,	22		1272	02
		Balance,				1623	75
						2895	77

MEMORANDA OF TRANSACTIONS.

NOVEMBER 1, 188–.

I have commenced a Retail Grocery and Provision Business this day, in the store No. 294 Main Street, leased of J. A. Reed for five years, at 600.00 per year.

Appropriated as capital 2500.00, as shown by a pass book containing a credit to my account at First National Bank. (*C. B., pages, 146–147.*)

At the close of the first day's business I find upon the desk memoranda of business transacted as follows:

Receipted bills for an Iron Safe, 100.00; Horse, 125.00; Harness, 12.00; Wagon, 60.00; Platform Scales, 35.00; Counter Scales, 26.00; and Office Books, 7.00; purchased by check. (*C. B.*)

An invoice of Groceries, Wooden Ware, etc., purchased of Smith, Perkins & Co., City, amounting to 725.80. The terms of purchase are 6 months, or 5 and 2½ off for cash. Paid by check. (*C. B.*)

An invoice of Groceries, Provisions, Canned Goods, etc., purchased of H. A. Brewster & Co., City, amounting to 1087.50. Terms, 10 days. (*J., page 146.*)

NOTE.—In a business of this character considerable merchandise in the form of fruit, vegetables, etc., is daily purchased of gardeners, and paid for out of the cash drawer. In such case no entry is necessary, as the merchandise purchased replaces other goods sold, for which this cash was received.

An exchange of goods from the store for fruit, vegetables, etc., a balance being paid or received in cash, is also a common transaction, and requires no entry, for the reason indicated above. A balance received would increase the drawer cash and be entered as a sale at the end of the day, and a balance paid would reduce the amount of drawer sales, in effect showing a purchase of goods.

The following charges are found on the Order Book: Mrs. J. H. Smith, 18 Brown St., 1 lb. Japan Tea, 50c.; 10 lbs. Gran. Sugar, @ 10½c.; 1 gal. N. O. Molasses, 45c. W. L. Wood, 26 State St., 3 doz. Eggs, @ 20c.; 10 lbs. B. Sugar, @ 9c.; 5 bu. E. R. Potatoes, @ 60c.; 2 W. Pails, @ 20c. John Wilson, 119 Fourth St., 10 lbs. A. C. Sugar, @ 9½c.; 4½ lbs. C. Fish, @ 8c.; 2 lbs. Java Coffee, @ 35c.; 5 gals. K. Oil, @ 15c. A. C. Davis, 126 Tremont St., 15 lbs. Gran. Sugar, @ 10½c.; 10 lbs. B. Sugar, @ 9c.; 5 bu. Potatoes, @ 60c.; 5 lbs. L. Raisins, @ 13c. B. J. Brown, 38 St. Paul St., 1 lb. Y. H. Tea, 48c.; 15 lbs. A. C. Sugar, @ 9½c.; 5 lbs. C. Fish, @ 8c.; 1 gal. S. H. Syrup, 68c. F. G. Ransom, 98 Spring St., 10 lbs. A. C. Sugar, @ 9½c.; 5 bu. Potatoes, @ 60c.; 1 lb. Jap. Tea, 50c.; 2 lbs. Java Coffee, @ 35c. (*O. B. and P. L., pages 144 and 145.*)

NOTE.—Give each account in the Personal Ledger a whole page.

Cash sales, shown by cash in drawer, 28.45. (*C. B.*)

NOVEMBER 2, 188–.

At the close of this day's business I find the following memoranda upon the desk:

Invoice of Provisions, Wooden Ware, etc., bought of Geo. C. Buell & Co., at 30 days, amounting to 327.50. (*J.*)

I also find upon the Order Book the following: W. L. Wood, 26 State St., 10 lbs. Butter, @ 25c.; 5 lbs. Chickens, @ 12c.; 10 lbs. A. C. Sugar, @ 9½c. Mrs. J. H. Smith, 18 Brown St., 5 bu. Potatoes, @ 60c.; 3 doz. Eggs, @ 18c.; 5 lbs. Butter, @ 25c. D. Lucas, 10 Jones St., 10 lbs. B. Sugar, @ 9c.; 5 bu. Potatoes, @ 60c.; 10 lbs. Butter, @ 25c. A. C. Davis, 126 Tremont St., 10 lbs. Butter, @ 25c.; 10 lbs. A. C. Sugar, @ 9½c.; 1 lb. Jap. Tea, 50c. (*O. B. and P. L.*)

Cash sales for the day, 27.90. (*C. B.*)

NOVEMBER 3, 188–.

At the close of business this day I find the following memoranda upon the desk:

Slip on a spindle showing that I have purchased Vegetables, Poultry, Butter, etc., of a farmer, by check, to the amount of 39.84. (*C. B.*)

NOTE.—An entry should be made of this transaction, as omitting it would cause a deficiency in cash. Only such merchandise as is paid for out of the drawer with the proceeds of current sales should be omitted.

The following orders are found upon the Order Book: F. G. Ransom, 98 Spring St., 10 lbs. Butter, @ 25c.; 5 lbs. Chickens, @ 12c.; 1 gal. K. Oil, 15c. Mrs. J. H. Smith, 18 Brown St., 5½ lbs. Chickens, @ 12c.; 10 lbs. B. Sugar, @ 9c.; 5 lbs. Mackerel, @ 8c. D. Lucas, 10 Jones St., 6 lbs. Chickens, @ 12c.; 5 doz. Eggs, @ 18c.; 2 Brooms, @ 25c.; 2 W. Pails, @ 25c. B. J. Brown, 38 St. Paul St., 1 Broom, 25c.; 6 lbs. Chickens, @ 12c.; 10 lbs. G. Sugar, @ 10½c. (*O. B. and P. L.*)

The cash sales for the day have been 48.90, which includes amounts paid in on account by Mrs. J. H. Smith, 5.00; John Wilson, to balance %, 2.76; and A. C. Davis, 5.00. (*C. B. and P. L.*)

NOTE.—Foot Wilson's account and rule it up. See Mrs. J. H. Smith's account, page 144.

I have appropriated 10.00 cash, and goods from the store amounting to 6.50, to my private use. (*C. B. and J.*)

NOVEMBER 4, 188–.

The following memoranda was found upon the desk at the close of this day: A slip showing that I have bought Vegetables, Poultry, Butter, etc., of farmers, by checks, amounting to 36.24. An invoice of Crackers from J. Howe & Son, 38.92; paid by check. A bill of 28.75 for Hay, Oats and Straw, for horse; paid by check. (*C. B.*)

I find the following upon the Order Book: W. L. Wood, 26 State St., 10 lbs. G. Sugar, @ 10½c.; 5 gals. K. Oil, @ 15c.; 5 lbs. C. Fish, @ 8c.; 3 lbs. Crackers, @ 10c. John Wilson, 119 Fourth St., 4 lbs. Crackers, @ 10c.; 4 bu. Potatoes, @ 60c.; 1 bag Salt, 10 lbs., 20c.; 3 lbs. Raisins, @ 12c. A. C. Davis, 126 Tremont St., 1 box Pepper, 25c.; 1 Lemon Ext., 20c.; 5 gals. K. Oil, @ 15c.; 3½ lbs. Chicken, @ 12c. D. Lucas, 10 Jones St., 3 lbs. Crackers, @ 10c.; 2 lbs. J. Coffee, @ 35c.; 2 gals. K. Oil, @ 15c.; 10 lbs. G. Sugar, @ 10½c. (*O. B. and P. L.*)

Received payments from the following customers on %, shown by slips on a spindle: D. Lucas, 10.00; F. G. Ransom, in full, 8.40 (rule up his account); A. C. Davis, 6.00.

Cash sales for the day, 67.92, which, added to payments on %, make the entire credit to Mdse. for the day, 92.32. (*C. B. and P. L.*)

NOVEMBER 5, 188–

At the close of this day I find the following memoranda on the desk: Invoice of Groceries, from Geo. C. Buell & Co., 117.50; terms, 30 days. (*J.*) Invoice of Groceries, from H. A. Brewster & Co., 63.18; terms, 10 days. (*J.*) A Policy of Insurance on stock and fixtures of 1500.00; Premium, 1 %, paid by check. (*C. B.*) Receipted bill for Shoeing Horse, 2.50. (*C. B.*)

The following is found on the Order Book: Mrs. J. H. Smith, 18 Brown St., 3 lbs. Crackers, @ 10c.; 1 Lem. Ext., 20c.; 1 pkg. Pepper, 25c.; 2 gals. K. Oil, @ 15c.; 3 lbs. C. Fish, @ 8c.; 10 lbs. A. C. Sugar, @ 10c. B. J. Brown, 38 St. Paul St., 5 bu. Potatoes, @ 60c.; 3 lbs. J. Coffee, @ 35c.; 5 lbs. Butter, @ 25c. F. G. Ransom, 98 Spring St., 1 pkg. Pepper, 25c.; 10 lbs. Gran. Sugar, @

10½c.; 2 Brooms, @ 25c.; 2 W. Pails, @ 20c. P. J. Warner, 19 Wood St., 1 lb. Jap. Tea, 60c.; 10 lbs. G. Sugar, @ 10½c.; 1 gal. K. Oil, 15c.; 5 lbs. Crackers, @ 10c.; 5 bu. Potatoes, @ 60c. (*O. B. and P. L.*)

The following customers paid on a/c: Mrs. J. H. Smith, 5.00, and W. L. Wood, 10.00. Cash sales, per drawer, 77.25, with payments on a/c added make entire credit to Mdse. 92.25. (*C. B. and P. L.*)

NOVEMBER 6, 188–.

The following memoranda is found upon the desk at the close of this day's business: Receipted bill of Stuart & Co., for carpenter work on counters and bins, of 26.50; paid by check. (*C. B.*)

Slips in the cash drawer showing that I have appropriated 15.00 cash and 9.80 in goods from the store, and that I have paid J. Dunn and R. H. King, clerks, 10.00 and 12.00 respectively, for salaries for week. (*C. B. and J.*)

Cash sales, shown by cash and slips in drawer, 105.95.

I find the following unpaid orders upon the Order Book: John Wilson, 119 4th St., 1 box Starch, 6 lbs., 40c.; 2 cans Oysters, @ 30c.; 1 bbl. Apples, 2.00; 1 cake Chocolate, 35c. D. Lucas, 10 Jones St., ½ lb. Pepper, @ 30c., 15c.; 1 pk. Sweet Potatoes, 50c.; 5½ lbs. C. Fish, @ 8c. 1 Lem. Ext., 20c.; 1 10-lb. bag Salt, 20c. L. J. Seymour, 19 Beach St., 3 doz. Eggs, @ 18c.; 2 cans Oysters, @ 30c.; 4 lbs. Crackers, @ 10c.; 2 bu. Potatoes, @ 60c. F. Woodbury, 16 Locust St., 2 Brooms, @ 25c.; 3 bu. Potatoes, @ 60c.; 5½ lbs. Chicken, @ 12c.; 4 lbs. Crackers, @ 10c.; 1 bbl. Apples, 2.00. (*O. B. and P. L.*)

NOTE.—You will now close the Cash Book, post and take a Trial Balance. Give each account one-fourth of a page space. Balance of cash, as shown by Cash Book, 1623.75.

NOVEMBER 8, 188–.

The following memoranda appear upon the desk at the close of this day: Receipted bill for a ton of Coal for use of store, 5.75; paid by check. Bill of W. Moran for Stove, Coal Hod, etc., bought on a/c, 41.50. Invoice of goods bought of H. A. Brewster & Co., at 10 days, amounting to 217.50. Horse bought for use of store, by check, 85.00.

The following appear upon the Order Book: Mrs. J. H. Smith, 18 Brown St., 1 pk. S. Potatoes, 50c.; 1 10-lb. bag Salt, 20c.; 1 W. Tub, 80c.; 1 bbl. Apples, 2.00. W. L. Wood, 26 State St., 1 box Soap, 4.15; 1 pk. S. Potatoes, 50c.; 3 doz. Eggs, @ 20c. B. J. Brown, 38 St. Paul St., 5 lbs. L. Raisins, @ 13c.; 1 bbl. Apples, 2.00; 1 lb. Jap. Tea, 50c.; 1 Lem. Ext., 20c. A. C. Davis, 126 Tremont St., 1 W. Tub, 80c.; 10 lbs. A. C. Sugar, @ 10c.

The following amounts were paid on a/c: Mrs. J. H. Smith, in full, 4.54; John Wilson, 5.00; B. J. Brown, 10.00. Cash sales, including payments on a/c, 93.82.

NOVEMBER 9, 188–.

Paid for new Harness by check, 24.00. Paid cash for building Coal Bin, 2.00, and for Lumber for same, 1.75.

Order Book: D. Lucas, 10 Jones St., 3 doz. Eggs, @ 20c.; 10 lbs. B Sugar, @ 9c.; 1 box Soap, 4.15; 2 lbs. L. Raisins, @ 12c. P. J. Warner, 19 Wood St., 1 pk. S. Potatoes, 50c.; 1 W. Tub, 80c.; 10 lbs. B Sugar, @ 9c.; 6 lbs. Chickens, @ 12c.; 1 bbl. Apples, 2.00. L. J. Seymour, 19 Beach St., 1 bbl. N. C. Flour, 8.75; 1 pk. S. Potatoes, 50c.; 1 box Soap, 4.15. F. Woodbury, 16 Locust St., 3 lbs. L. Raisins, @ 13c.; 1 W. Tub., 80c.; 1 gal. N. O. Molasses, 45c.; 10 lbs. Gran. Sugar, @ 10½c. Mrs. J. H. Smith, 18 Brown St., 10 lbs. G. Sugar, @ 10½c.; 4 lbs. Chicken, @ 12c.; 2 cans Oysters, @ 30c.

Cash Sales, 93.18.

NOVEMBER, 10, 188–.

Drew 15.00 cash, for private use, and appropriated 14.60 in goods,

Order Book: F. G. Ransom, 98 Spring St., 1 box Soap, 4.15; 2 lbs. Coffee, @ 32c.; 1 W. Tub, 80c.; P. J. Warner, 19 Wood St., 1 Lem. Ext., 20c.; 10 lbs. A. C. Sugar, @ 10c.; 1 gal. N. O. Molasses, 45c.; 1 bbl. N. P. Flour, 8.75. B. J. Brown, 28 St. Paul St., 1 bbl. N. P. Flour, 8.75; 2 W. Pails, @ 20; 1 Basket, 18c. L. J. Seymour, 19 Beach St., 2 cans Oysters, @ 30c.; 1 Lem. Ext., 20c.; 4½ lbs. Chickens, @ 12c.; 10 lbs. G. Sugar, @ 10½c.

Payments on account, L. J. Seymour, 15.00; F. Woodbury, in full, 8.05; D. Lucas, 7.00; P. J. Warner, 20.00. Cash sales, including payments on account, 136.27.

NOVEMBER 11, 188–.

I find upon the desk the following: A receipted statement from H. A. Brewster & Co., of Invoice of 1st inst., paid by check, 1087.50.

Order Book: F. Woodbury, 16 Locust St., 1 bbl. N. P. Flour, 8.75; 1 pk. S. Potatoes, 50c.; 2 W. Pails, @ 20c. L. J. Seymour, 10 Beach St., 10 lbs. B. Sugar, @ 9½c.; 3 doz. Eggs, @ 20c.; 2 W. Tubs, @ 80c.; 1 bbl. Apples, 2.00. Mrs. J. H. Smith, 18 Brown St., 1 bbl. N. P. Flour, 8.75; 2 lbs. R. Coffee, @ 32c. W. L. Wood, 26 State St., 2 lbs. J. Coffee, @ 35c.; 1 lb. Jap. Tea, 50c.; 1 bbl. N. P. Flour, 8.75.

Payments on account, B. J. Brown, 10.00; F. G. Ransom, 5.00. Cash sales, including payments on accounts, 141.23.

NOVEMBER, 12, 188–.

Paid cash for graining counters and bins, 11.75. Bought Fruit, Poultry, &c., by check, 32.15.

Order Book: P. J. Warner, 19 Wood St., 1 bbl. Apples, 2.00; 1 basket Peaches, 1.50; 10 lbs. Concord Grapes, @ 4c.; 10 lbs. Gran. Sugar, @ 10½c. D. Lucas, 10 Jones St., 10 bu. Potatoes, @ 60c.; ½ bu. S. Potatoes, 1.20; 2 cans Oysters, @ 30c.; 4½ lbs. Chickeens, @ 12c. John Wilson, 119 4th St., 2 baskets Peaches, @ 1.20; 10 lbs. B. Sugar, @ 9½c.; 1 pk. S. Potatoes, 60c. A. C. Davis, 126 Tremont St., 5 lbs. Chickens, @ 12c.; 2 cans Oysters, @ 30c.; 2 lbs. Crackers, @ 12c.; 2 baskets Peaches, @ 1.20; 2 bu. Potatoes, @ 60c.

Payment on account, Mrs. J. H. Smith, 10.00. Cash Sales, including payment, 168.83.

NOVEMBER 13, 188–.

Paid cash for Horseshoeing, 2.50; clerks' salaries for week, 10.00 and 12.00; Letter Heads and Envelopes, 2.00; and Postage, 30c.

Order Book: A. C. Davis, 126 Tremont St., 1 bbl. N. P. Flour, 8.75; 1 pk. S. potatoes, 60c.; 4½ lbs. C. Fish, @ 8c. F. G. Ransom, 98 Spring St., 6 lbs. Mackerel, @ 6½c.; 2 cans Oysters, @ 30c.; 1 bbl. Apples, 2.00; 3 lbs. L. Raisins, @ 13c. John Mead, 163 Smith St., 1 bbl. N. P. Flour, 8.75; 4 bu. Potatoes, @ 60c.; 1 can Oysters, 30c.; 2 lbs. Java Coffee, @ 36c.; 1 lb. Japan Tea, 60c.; 1 box Soap, 4.15; 1 bbl. Apples, 2.00.

Payments on account, A. C. Davis, 10.00; W. L. Wood, 10.00; John Mead, 15.00; B. J. Brown, in full, 2.99. Cash sales, including payments, 163.19.

Having now conducted the business two weeks, I have determined to close the accounts showing gains and losses, and ascertain the result of the venture.

RESOURCE INVENTORIES.

NOTE.—Since the sales of merchandise on account are not credited to Mdse. account when made, it is apparent that the balance of all the accounts in the Personal Ledger should be included in the Inventory.

MERCHANDISE—in Store	1640 85	
" Personal Ledger:—F. Woodbury, 9.65; L. J. Seymour, 8.68; Mrs. J. H. Smith, 1.52; W. L. Wood, 6.65; John Wilson, 5.66; A. C. Davis, 7.25; F. G. Ransom, 6.17; D. Lucas, 10.09; P. J. Warner, 5.57; John Mead, 3.92	65 16	
		1706 01
EXPENSE—2 Horses, 310.00; 1 Wagon, 66.00; P. Scales, 35.00; C. Scales, 26.00; 2 Harnesses, 30.00; Hay, Oats, &c., 20.00		487 00

LIABILITY INVENTORY.

EXPENSE—One-half Month's Rent unpaid, to be debited to Expense	25 00

Net Gain, 100.30; Balance of Cash, 1128.57.

QUESTIONS FOR REVIEW.

Page 143.—[1] To what kind of business is this arrangement of books adapted? [2] What books are required? [3] Describe the Order Book. [4] How are goods marked in the Order Book that are paid for when purchased? [5] When are the entries in the Order Book posted? [6] Describe the Cash Book. [7] What does the Journal contain? [8] How may the Journal be dispensed with? [9] Describe the Personal Ledger. [10] How are sales on account regarded? [11] Why is the ordinary Journal ruling preferable for a Personal Ledger? [12] From what book will statements of customers' accounts be made? [13] How is the Ledger used? [14] How are the accounts in the Personal Ledger treated in closing the Ledger? [15] Why is no Bank account in the Ledger necessary? [16] What will the Cash Book exhibit if no Bank account is kept? [17] How are deposits and checks entered?

MANUFACTURING.

The following arrangement of books is similar in all essential particulars to that of one of the most extensive furniture manufacturing firms in America, and was selected on account of its exceeding simplicity and completeness.

[1] The books required are a Sales Book, Cash Book, Journal and Ledger as principal books, and a Hands Register and Bill Book as auxiliaries.

In an extensive business a book called a Tickler is sometimes kept to record the maturity of bills purchased on time on account. This book, as ordinarily used, contains columns for the date of the invoice, the purchaser's name, his address, the terms, the day of maturity, the amount and remarks. A number of pages are set aside for each month of the year, and all bills falling due in any month are entered in the space provided for that particular month.

[2] The Sales Book contains all sales on account, giving the articles, terms of sale and amounts. [3] The purchasers are debited direct from the Sales Book with the amount of each sale, [4] and Mdse. account is credited with the daily, weekly or monthly footing.

[5] The Cash Book does not vary from the ordinary form, excepting that the debit column on the left hand page is devoted to the cash sales of merchandise. [6] All "Regular" bills described in the Memoranda, have four months to run; but if the purchaser chooses to settle within thirty days, he is allowed a discount. [7] Instead of crediting the purchaser's account in the Cash Book with the net amount of cash received, and in the Journal with the discount, the purchaser is credited in the Cash Book for the entire amount of the settlement and Discount account is debited for the discount, on the other side of the Cash Book. See Cash Book, pages 152–3. [8] Mdse. account is credited with the footing of the Mdse. column in the Cash Book, whenever the Cash Book is balanced. [9] The cash should be proved every day in pencil, but the Cash Book need not be balanced oftener than once each week.

[10] The Journal contains only entries that cannot properly be made in the other books.

[11] The Hands Register contains the weekly earnings of, and payments to, all employees. A column is ruled at the extreme left of the left hand page for the names of the hands, and the remainder of the page is divided into as many double money columns, Dr. and Cr., as the size of the book will permit, similar to the Continued Trial Balance. The employees' time is "made up" from the Foreman's time-book, and the amount due each is entered in the first vacant Cr. Column opposite his name. When they have been paid, the amount each has received is placed in the first Dr. column opposite his name, thus balancing the column. The footing of the H. R. is entered to Labor account on the right hand side of the Cash Book.

In this set the entire investment is credited to Stock, as explained in the note at the bottom of page 44.

CASH BOOK.

DECEMBER, 188–.

DATE.		Folio.			MDSE.		SUNDRIES.	
Dec.	1	50	Stock,	Cash in Safe,			211	14
				Bill to J. Smith, Chamber Suit,	36			
				" Mrs. Wood, Pat. Rocker,	22			
				" W. Brown, Parlor Suit,	144			
	2	51	C. A. Graves,	Reg. bill of Nov. 3, less disct.	202		1436	85
				Bill to B. Jones, Pat. Rocker,	22			
				Wal't H. Rack,	28			
				Bunch of Cane,		80		
					252	80		

JOURNAL.

DECEMBER 1, 188–.

Folio.					
	Resources of C. J. Huntington & Co.				
	Sundries.	To Stock,		148137	12
	Real Estate,		42000		
		Mannfactory, 18000; Warehouse, 24000.			
	Merchandise,		78950		
		Manufactured, 47,500; Lumber, 28,000; Hardware, 1400; Fabrics, etc., 1700; Varnishes, Oils, etc., 350.			
	Machinery and Tools,		9000		
	Office Fixtures,	Safe, Desks, etc.	850		
	First National Bank,	On deposit,	4486	84	
	Bills Receivable,		3987	65	
		J. L. Brown's note, with int. per B. B., 865.			
		S. H. Parker's " " " 950.			
		D. M. Willard's " " " 1744.50			
		J. B. Andrews' " " " 428.15			
	Interest,	On above notes to date,	39	79	
	C. A. Graves,	Bill of Nov. 3, R.	1436	85	
	E. S. Smith,	" " 5, "	1153	85	
	E. S. Smith,	" " 5, Net.	217	43	

NOTE.—You will complete this entry and continue the Journal entries as illustrated above.

HANDS REGISTER.

	DECEMBER 6.				DECEMBER 13.				DECEMBER 20.			
	DR.		CR.		DR.		CR.		DR.		CR.	
Neir,	10	50	10	50								
Brown,	11	75	11	75								
Wilson, J.	12	80	12	80								
Wilson, D.	6	50	6	50								
Meyer,	16	90	16	90								
Johnson,	5		5									
Lyman,	8	30	8	30								
Mosier,	14	50	14	50								
Thayer,	14	50	14	50								
Pease,	12	25	12	25								
Bartlett, Foreman,	25		25									
Hyatt, Book-keeper,	30		30									
Morey, Ass't Book-keeper,	8		8									
Hackett, Salesman,	18		18									
Pomeroy, "	20		20									
	214		214									

CASH BOOK.

DECEMBER, 188–.

DATE.		Folio.			SUNDRIES.		TOTAL.	
Dec.	2	53	Discount,	C. A. Graves, 5% on 1436.85,	71	84		
	"	54	Mdse.	3500 ft. Wal't, @ 70,	245			

NOTE.—Continue the entries in the Cash Book as here illustrated.

SALES BOOK.

DECEMBER 1, 188–.

Folio.					
	Holdridge & Gray, Medina.				
	1 No. 33 Wal't Bed,	R.	10	50	
	1 No. 33 " Wood Top Dresser,	"	17		
	2 " Towel Racks,	"	1	65	29 15
	2 No. 80 Chairs,	Net.		92	
	12 No. 49½ "	"	15		
	12 No. 57 "	"	9		24 92
	John H. King, City.				
	6 No. 36 Chairs, Maple,	Net.			10 80
	Geo. C. Lyon, Fair Haven.				
	3 Best S. B. Beds,	Net.	6	30	
	3 High H. D. Cott,	"	7	65	
	3 Low do.	"	7	20	
	1 Imp. Congress Chair,	"	2	85	
	24 No. 72 Light Chair,	"	11		
	12 No. 72 Dark "	"	5	50	
	4 No. 61 "	"	1	92	42 42

LEDGER.

C. A. GRAVES, Brockport.

188–						188–				
Nov.	3	J.	R.	1436	85	Dec.	2	C. B., 5% off,	1436	85
Dec.	3	S. B.	"	54	50					
	"	"	Net.	3	08					
	5	"	"	19	35					

E. S. SMITH, North Wilson.

188–						188–				
Nov.	5	J.	R.	1153	85	Dec.	4	C. B., 5% off,	1371	28
	5	"	Net.	217	43					

WARREN & FRANCIS, Jamestown

188–						188–				
Nov.	7	J.	Net.	216	40	Dec.	6	C. B.	216	40
Dec.	3	S. B.	R.	12	50					
	"	"	Net.	13	50					
	5	"	R.	48						
	"	"	Net.	34						

DECEMBER 1, 188–.

Resources of C. J. Huntington & Co., Furniture Manufacturers:

Real Estate: Manufactory, 18000.00; Warehouse, 24000.00. Total, 42000.00. (*J.*)

Merchandise: Manufactured, 47500.00; Lumber, 28000.00; Hardware, 1400.00; Fabrics, &c., 1700.00; Varnishes, Oil &c., 350.00. Total, 78950.00. (*J.*)

Machinery and Tools, 9000.00. (*J.*) Office Fixtures, Desks &c., 850.00. (*J.*) First National Bank, on deposit, 4486.84. (*J. The Bank account is here kept in the Ledger, but may be kept in the Check Book if preferred.*) Cash in Safe, 211.14. (*C. B.*)

Bills Receivable: Note of J. L. Brown, Tonawanda, at 3 mos. from Sept. 1st, with interest, 865.00. Note of S. H. Parker, Great Bend, at 3 mos. from Sept. 6th, with interest, 950.00. Note of D. M. Willard, Grand Haven, at 2 mos. from Oct. 19th, with interest, 1744.50. Note of J. B. Andrews, Salem, at 3 mos. from Nov. 15th, with interest, 428.15. Total, 3987.65. (*J. and B. B.*) Interest accrued on above notes, 39.79. (*J.*)

Personal Accounts (*See Note below*): C. A. Graves, Brockport, Mdse. bought on Regular terms, Nov. 3, 1436.85. E. S. Smith, North Wilson, Mdse. bought Nov. 5. Regular, 1153.85; Net, 217.43. Warren & Francis, Jamestown, Mdse. bought Nov. 7; Net, 216.40. John. H. King, City, Mdse. bought Nov. 10; R., 184.30; Net, 195.10. Covert Bros., Oxford, Mdse. bought Nov. 13; R., 1423.00. Geo. C. Lyon, Fair Haven, Mdse. bought Nov. 16; R., 83.18; Net, 41.12. Holdridge & Gray, Medina, Mdse. bought Nov. 19; R., 234.50; Net, 1117.95. W. J. Thompson, Barclay, Mdse. bought Nov. 21; R., 1143.25; Net, 73.11. Daniel Paine, Bridgeport, Mdse. bought Nov. 23; R., 118.45; Net, 61.17. J. H. Arnold, Geneva, Mdse. bought Nov. 25; Net, 1123.18. (*J.*)

Note.—All goods are sold for Cash, Net Cash, or on "Regular" Terms. When sold for cash no entry is made excepting in the Cash Book, and that at the close of the day. If thought best, such sales may be described. See C. B., page 152. Such cash receipts should agree with the Salesman's memoranda. When sold for Net Cash, the goods are entered in the Sales Book with the word "Net" after each item, and the aggregate is posted to the debit of the purchaser's account in the Ledger. Mdse. account should be credited with the daily, weekly or monthly footing of the Sales Book. When sold for "Net Cash" it is understood the bill is to be paid within 30 days. The terms are indicated by "Net" in the Sales Book. At the expiration of the time the bill has to run it will be subject to draft at sight. When goods are sold on "Regular terms," they are entered in the Sales Book and posted precisely as when sold for "Net Cash," excepting that the initial letter "R" is written after each item. Bills sold on "Regular" terms have four months to run, and if paid within 30 days are subject to a discount of 5 per cent. If allowed to run beyond the four months they are subject to draft at sight. The terms on which bills are sold should be indicated in the Ledger as well as in the Sales Book. See accounts given on page 153, for illustration.

Sold Holdridge & Gray, Medina, 1 No. 33 Wal't Bed, 10.50; 1 No. 33 Wal't Wood Top Dresser, 17.00; 1 No. 2 Wal't Towel Rack, 1.65, Regular. 2 No. 80 Chairs, 92c.; 12 No. 49½ Chairs, 15.00 12 No. 57 Ch., 9.00, Net. (*See Sales Book, page 153.*)

John H. King, City, 6 No. 36 Maple Chairs, 10.80, Net. (*S. B.*)

Geo. C. Lyon, Fair Haven, 3 Best Side-Board Beds, 6.30; 3 High H. D. Cots, 7.65; 3 Low do., 7.20; 1 Imp. Cong. Ch., 2.85; 24 No. 72 Light Ch., 11.00; 12 No. 72 Dark Ch., 5.50; 4 No. 61 Ch., 1.92, Net. (*S. B.*)

Cash sales, J. Smith, C. Suit, 36.00. Mrs. Wood, Pat. Rocker, 22.00. W. Brown, Parlor Suit, 144. (*C. B., see page 152.*)

DECEMBER 2, 188–

Sold Daniel Paine, Bridgeport, 6 No. 25 Ch., 7.20; 12 No. 72 Ch. Sing. Round Light, 5.25; 6 No. 57 Ch., 4.50, Net. (*S. B.*)

Covert Bros., Oxford, 1 No. 33 Wal't Wood Top Suit, 34.75; 1 Tete in Jute, 22.00; 1 Ford Rocker, 11.00, Regular. 1 Arm Chair, 5.00, Net. (*S. B.*)

J. H. Arnold, Geneva, 2 No. 4 Soft Wood Beds, 6.50; 2 No. 25½ Ch., 8.00; 2 No. 24 Ash and Wal't Beds, 9.00; 18 No. 57 Chairs in White (unfinished), 27.00; 3 No. 33 Ash and Wal't Beds, 18.00; 4 No. 309 Ch., 4.00, Net. (*S. B.*)

Received check from C. A. Graves for the amount of his bill of Nov. 3, 1436.85, less the regular discount, 5%. (*C. B.*)

Bought, for cash, 3500 ft. Wal't Lumber, @ 70.00 per M. (*C. B.*)

Cash Sales: B. Jones, 1 Pat. Rocker, 22.00. 1 Wal't Hat Rack, 28.00; Bunch of Cane, 80c. (*C. B.*)

DECEMBER 3, 188–.

Sold C. A. Graves, Brockport, 2 No. 42 Ash Beds, 18.00; 2 No. 42 Ash Dressers, 31.00; 1 No. 42 Ash W. Stand, 5.50, Regular; and 2 No. 83 Ch., 3.08, Net. (*S. B.*)

Sold W. J. Thompson, Barclay, 6 No. 6 Maple Ch. in the White, 10.80; 4 No. 38 do., 4.80, Net. (*S. B.*)

Sold Warren & Francis, Jamestown, 6 Lounges, White, 7.50; 4 14 × 24 Glasses, 5.00, Regular. 24 No. 57 Ch., 13.50, Net. (*S. B.*)

Holdridge & Gray, Medina, Repairing Bed and Bureau, 8.00; 1 Hair Soft Mattress, 4.50, Regular (*S. B.*)

Cash sales: Mrs. W. Price, Ash Dining Table and 6 No. 33 Ch., 26.00; 1 Wal't Washstand, 4.00 (*C. B.*)

DECEMBER 4, 188–.

Sold John H. King, City, 24 No. 87 Ch., 13.00; 36 No. 89 Ch. Dark, 19.50; 12 No. 89 Light, 18.00, Net. (*S. B.*)

Sold Geo. C. Lyon, Fairhaven, 4 Lounges, White, 5.00; 1 No. 42 Ash and Wal't Suit, 21.25, Regular. 2 No. 42 Ch., Light, 4.68, Net. (*S. B.*)

J. L. Brown paid his note of 865.00, and interest, due to-day.

E. S. Smith pays his bill of Nov. 5th, 1371.28, less discount, 5% on the Regular portion of it. (*C. B.*)

Cash sales: 1 Cong. Office Chair, 18.00; 1 Office Desk, 45.00. (*C. B.*)

DECEMBER 5, 188–.

Sold C. A. Graves, Brockport, 2 No. 48 Oak Ch., 2.60; 24 No. 89 Ch., 13.00; 1 Wal't Cor. Stand, 3.75, Net. (*S. B.*)

Sold Warren & Francis, Jamestown, 1 No. 33 Wal't Wood Top Suit, 36.00; 6 Com. S. B. Beds, 12.00, Regular. 2 No. 33 Wal't W. T. Dressers, 34.00, Net. (*S. B.*)

Sold W. J. Thompson, Barclay, 1 No. 33 Wal't W. T. Suit, 36.00; 1 No. 33 Wal't W. T. Washstand, 7.50, Regular. 24 No. 87 Ch., 13.00, Net. (*S. B.*)

Cash Sales: John Wagner, 1 W. T. Suit, 36.00; 1 Ash Din. Table, 18.00. (*C. B.*)

Bought Damask, Jute, &c. of A. S. Mann & Co., by check, 118.44; Invoice filed. (*J.*)

Deposited 2500.00. (*C. B.*)

DECEMBER 6, 188–

Sold Covert Bros., Oxford, 2 No. 33 Wal't W. T. Suits, 69.50, Regular. 6 No. 59 Ch., 12.00, Net. (*S. B.*)

J. H. Arnold, Geneva, 1 No. 2 Couch in Carpet, 9.00; 6 Lounges, White, 12.90, Reg. 12 No. D. R. Ch., White, 4.35, Net. (*S. B.*)

Daniel Pame, Bridgeport, 2 No. 42 Ash Beds, 18.00; 2 No. 42 Ash Dressers, 31.00; 1 No. 42 W. Stand, 5.50, Reg. 6 No. 83 Ch., 9.00, Net. (*S. B.*)

Cash Sales: Parlor Suit, Wal't, 72.00; Chamber Suit, Wal't, 55.00. (*C. B.*)

Warren & Francis pay their net bill of Nov. 7, by check, 216.40. (*C. B.*)

The Foreman in the Cabinet Shop has handed in the time of, and amount due to the following hands: Nier, 10.50; Brown, 11.75; J. Wilson, 12.80; D. Wilson, 6.50; Meyer, 16.90; Johnson, 5.00; Lyman, 8.30; Mosier, 14.50. Thayer, 14.50; Pease 12.25; Bartlett, foreman, 25.00. From the Warehouse are added Hyatt, Book-keeper, 30.00; Mory, Ass't Book-keeper, 8.00; Hacket, Salesman, 18.00; Pomeroy, Salesman, 20.00. (*Credit Col. H. R.* *See form, page 152.*)

NOTE.—The pupil will rule a sheet for a Hands Register similar to the form given on page 152.

Paid in full all whose names appear on the Hands Register, in cash. (*Debit Col. H. R. and C. B.*)

Balance Cash Book and bring down balance. Cash on hand, 1552.35. Post Journal, Sales Book and Cash Book, and take a Trial Balance. Give each account one-fourth of a page space. In posting the Personal Accounts, enter the terms given in the Memoranda. See Ledger form on page 153.

DECEMBER 8, 188–.

Sold Geo. C. Lyon, Fair Haven, 2 No. 33 Wal't W. T. Dressers, 34.00; 2 No. 33 Wal't W. T. W. Stands, 15.00, Reg.

Holdridge & Gray, Medina, 1 No. 35½ Ash Suit, 24.55; 1 No. 50 Shelf Side Stand, 3.75, Reg. 4 No. 44 Ch. 3.67; 2 No. 27 Ch., 1.70; 12 No. 87 Ch., 6.50, Net.

John H. King, City, 2 No. 33 Wal't W. T. Suits, 50.00, Reg. 10 Spindle H'd and F't Beds, 24.00, Net.

Sent check on First National Bank to Baneroft & Co., Pittsburg, for bill of Hardware, 318.45.

Cash sales: 1 Wal't M. T. Chamber Suit, 118.00; 1 Wal't Parlor Suit in Rep, 85.00.

Bought new Planer, by check, 875.00.

DECEMBER 9, 188–.

Sold E. S. Smith, North Wilson, 1 Book Case, in White, 18.00, Reg. 36 No. 48 Oak Ch., 54.00, Net.

Warren & Francis, Jamestown, 24 No. 87 Ch., 13.00; 24 No. 89 Ch., 14.00; 12 No. 89 Ch., 6.75, Net.

W. J. Thompson, Barclay, 1 No. 42 Ash and Wal't Suit, White, 21.25, Reg. 2 No. 80 ch., 1.08; 12 No. 98 Ch., 32.00, Net.

Cash sales; 6 Dining Ch., 9.00; 1 Book Case, Wal't, 45.00.

Gave check for 6850 ft. Cherry Lumber, @ 48.00 per M.

Deposited 1500.00.

S. H. Parker pays his note of 950.00, with interest, in cash.

DECEMBER 10, 188–

Sold Covert Bros., Oxford, 6 Lounges, White, 7.50; 2 No. 1 Couches in Carpet, 17.50, Reg. 6 No. 25 Ch., 7.20; 12 No. 57 Ch., 9.00, Net.

C. A. Graves, Brockport, 2 No. 42 Ash Beds, 18.00; 2 No. 42 Ash Dressers, 31.00, Reg. 4 No. 309 Ch., 4.00, Net.

Daniel Paine, Bridgeport, 6 14 × 24 Glasses, 8.25, 2 No. 33 Wal't W. T. Suits, 75.00; 1 Bunch Cane, 80c.; Reg. 10 No. 309 Ch., 10.00, Net.

Cash Sales: 1 Tete in Jute, 16.00; 1 Ford Rocker, 8.00; 1 Arm Ch. 6.00.

J. H. King pays his R. bill, 184.30, and his Net bill of 195.10, of Nov. 10th, less discount, 5 % on the R. bill.

DECEMBER 11, 188–.

Sold Holdridge & Gray, Medina, 6 Ash and Wal't Beds, 36.00, Reg. 18 No. 57 C. in White, 15.50; 24 No. 25½ Ch., 30.00, Net.

Geo. C. Lyon, Fair Haven, 12 No. 4 W. T. Cent. Tables, 42.00, Reg. 24 No. 59 Ch., 14.50, Net.

John H. King, City, 2 No. 1 Book Cases, in White, 37.00; 2 No. 33 Ash and Wal't Suit, 68.50; 2 No. 98 Ch., 5.50, Net.

Cash Sales: 1 W. T. Wash Stand, 4.50; 1 M. T. Suit, 56.00; 1 Office Desk, 34.00; 1 Office Chair, 15.00.

Deposited, 1000.00.

DECEMBER 12, 188–.

Sold E. H. Smith, North Wilson, 3 No. 42 Ash and Wal't Suits, 63.00; 8 S. W. Beds, 24.00, Reg. 4 No. 43 light Ch., 4.50; 4 No. 25 dark Ch., 4.80, Net.

W. J. Thompson, Barclay, 2 No. 33 Wal't Beds, 21.00, 2 No. 33 W. T. Dressers, 34.00, Reg. 24 No. 72 Ch., light, 11.00; 12 No. 72 Ch., dark, 5.50, Net.

Cash sales: 1 M. T. Wal't Side Board, 48.00; 1 Wal't D. Table, 24.00; 9 D. Ch., 13.50.

DECEMBER 13, 188–.

Sold J. H. King, City, 2 M. T. Wal't Side Bords, 58.00; 2 Wal't D. Tables, 38.00, Reg. 18 No. 36 Ch., 24.00, Net.

J. H. Arnold, Geneva, 2 No. 33 Ash and Wal't Suits, 64.00; 2 No. 4 S. W. Beds, 8.00; 8 Com. Wash Stands, 12.00, Reg. 12 No. 80 Ch., 12.00, Net.

Daniel Paine, Bridgeport, 2 No. 35 Ash Suits, 51.00; 2 Wal't D. Tables, 28.00, Reg. 24 No. 44 Ch., 28.00, Net.

Sales for cash: 1 Couch in Carpet, 18.00; 1 Pat. Rocker, 22.00; 3 Office Stools, 3.60.

Covert Bros. pay their R. bill of Nov. 13, less discount, in cash.

Deposit in First National Bank, 1500.00.

Bartlett, foreman, has left his Time Book in the office, from which the Pay Roll will be made up. The hands have earned during the week, as follows: Neir, 11.75; Brown, 11.50; J. Wilson, 14.20; D. Wilson, 8.75; Meyer, 15.50; Johnson, 6.75; Lyman, 9.80; Mosier, 13.20; Thayer, 16.25; Pease, 12.50; Bartlett, Foreman, 25.00. Added from the Office and Warehouse: Hyatt, Book-keeper, 30.00; Morey, Ass't Book-keeper, 8.00; Hackett, Salesman, 18.00; Pomeroy, Salesman, 20.00. Entered on Hands Register and paid in full, in cash.

INVENTORIES, DECEMBER 13, 188–.

REAL ESTATE—Manufactory, 18000.00; Warehouse, 24000.00,	42000 00
MERCHANDISE—Manufactured Stock and Raw Material,	18164 90
MACHINERY AND TOOLS—At Cost,	9875 00
OFFICE FIXTURES—At Cost,	850 00
INTEREST—Accumulated on D. M. W.'s Note,	
" " " J. B. A.'s Note,	

Balance the Cash Book. Cash on hand, 543.51. Post, make a Balance Sheet, and close the Ledger. Net gain, 660.56.

QUESTIONS FOR REVIEW.

[1] What books are required? Which are used as principal books, and which as auxiliaries? [2] Describe the Sales Book. [3] From which book are customers debited for purchases on account? [4] To what account is the footing of the Sales Book posted? [5] In what respect does the Cash Book used in this business differ from the ordinary Cash Book? [6] What do you understand by "Regular" bills? [7] How are purchasers' discounted bills entered in the Cash Book? [8] How are the entries of merchandise in the Cash Book posted? [9] How often should the cash be proved? [10] What does the Journal contain? Describe the Hands Register.

BUSINESS PRACTICE.

The special design of this set is to furnish the student practice in drawing business papers, and to give him an understanding of how to use them in connection with business transactions. Its further, and equally important object, is to provide extended drill in invoicing, and other practical work involving accurate and rapid computations.

A distinguishing feature of the set is in making use of twenty price lists, enabling the teacher to assign to each one of twenty students a different list to work from, so that the results he obtains will be wholly unlike those obtained by any of the others. Independent effort, confidence and self-reliance on the part of the pupil are thus greatly promoted, and his zeal and interest in the work are correspondingly increased.

GENERAL INSTRUCTIONS.

In connection with the memoranda explicit directions for performing the work are given the pupil, based upon the use of offices. In case offices are not provided, the pupil will hand the money, papers and other documents called for in the memoranda, to the teacher or some person appointed to act for him.

OFFICE DEPARTMENT.

The work may be conducted independently of offices—the teacher, or some person designated by him, receiving the money, papers and other documents, and examining them with reference to accuracy in computation, correctness of form, etc., without making the records which would be required if offices were in operation.

Whenever it is convenient, the value of the work will be in a measure increased by establishing at least three offices, viz: (1) College National Bank, (2) Merchants Emporium, (3) Commercial Exchange. At the first, all banking business will be done; at the second, all merchandise will be bought; and at the third, all the business will be transacted which does not properly belong to the other two. When it is not possible to provide three *separate* offices, one may be made to serve the purpose by transacting all the business at that office, but keeping three distinct sets of books.

Complete directions for establishing and operating the offices, together with explanations of books, blank forms, etc., to be used, are given in the "Teachers' Guide."

ACCURATE RESULTS.

As previously stated, a feature of this work from which the pupil will derive special benefit, is the opportunity it will afford him for gaining rapidity and accuracy in mathematical computations, by making out long invoices involving fractional quantities and prices, working partial payments of notes, averaging the time of accounts, etc.

That the pupil may receive the fullest benefit from the work, it is important that the teacher insist, first, upon accurate results, and, second, that these results be rapidly obtained by short, practical methods. In the work of making invoices, for example, the extensions should, as far as possible, be made mentally.

It is customary in business where fractions arise in the computations, to divide between the buyer and seller, giving and taking, but in this work, in order to obtain uniformity, in every computation if the fraction be one-half cent or more, add another cent, if less than one-half cent drop the fraction.

WRITING THE BUSINESS FORMS.

The student will derive benefit from this work just in proportion as he exercises care in the preparation of the various papers and documents. Composition, spelling, punctuation, use of capitals, penmanship, neatness and general arrangement are all important elements, and should receive careful attention in performing the work.

BOOKS TO BE USED

A Journal, Ledger, Sales Book, Cash Book, Bill Book and Check Book, similar to those used in the wholesale set may be advantageously employed. Other books or forms, if preferred by the teacher, can be readily used.

SPACE IN THE LEDGER.

In opening accounts in the Ledger, give one-half of a page each to Bills Recv., Bills Pay., Mdse., Expense, Freight and Drayage, Interest and Discount, and Collection and Exchange; give one-third of a page each to E. D. Carpenter & Co. and Clark, Endicott & Fielding; give all other accounts one-quarter of a page each.

The pupil will now receive from the teacher the books and business papers and the number of the price list he is to use, and proceed with the work, following carefully the directions given him from time to time in the foot notes in connection with the memoranda.

BUSINESS PRACTICE BUYING PRICE LISTS.

ARTICLE.	DESCRIPTION.	QUANTITY.	No. 1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.
Baking Powder,	Royal,	Case, 1 dz. 1 lb. Cans,	35c. lb.	37²	36	38	37	35²	33⅓	32	30	33⅓	35	38	37²	36	40	39	35²	38	33⅓	36
Coffee,	Java,	Mat, 100 lbs.	20c. lb.	18	16⅔	19	15²	16	20	21²	22²	25	24¹	23²	21	20²	18²	16	15	16⅔	20	15²
Coffee,	Rio,	Bag, 140 lbs.	15c. lb.	16⅔	18	15¹	16	12²	16⅔	15	14	12²	15	17	16⅔	18	20	18²	19³	17	16⅔	18
Coffee,	Mocha,	Mat, 70 lbs.	23c. lb.	21	22²	24	23¹	21	20	22¹	21²	23	22²	25	22	21¹	23²	24	25	24²	20	20²
Cocoa,	Epps' Breakfast,	½ lb. Can,	35c. lb.	34	36	33	35	32	34	33	37	39	36	34	35	33	35	31	34	37	39	36
Chocolate,	Baker,	1 lb. Pkg.	30c. lb.	33²	32²	30¹	31³	30	29²	28	26¹	27	30	32²	33⅓	30	31¹	32³	29²	28	26¹	27
Cheese,	Full Cream,	54 lb. each,	12½c. lb.	12	13	11	10²	12¹	10	12²	11	11²	13¹	10	11	11³	14	15	12²	13¹	12	12¹
Codfish,	Boneless,	40 lb. Box,	5c. lb.	5¹	4³	5²	5	4	6¹	5	4²	4	5	5³	6¹	5	5²	4³	5	6	5¹	4
Currants,	English,	350 lb. Bbl.	3⅞c. lb.	4	3²	3	3⅝	3⅞	4	3⅜	4	3²	4⅛	4	3	3⅞	3³	4	3⅝	3⅞	4	3²
Crackers,	Oyster,	60 lb. Bbl.	5c. lb.	4²	4	5¹	5	4	4²	5	5²	6	5	5¹	4²	5	4	3³	4	5	4²	4
Flour,	Roller Process,		4.75 bbl.	4.80	4.62²	4.70	4.65	4.75	4.80	4.62²	4.70	4.75	4.65	4.80	4.85	4.90	5.00	4.95	4.85	4.75	4.60	4.50
Molasses,	Porto Rico,	50 gals. Bbl.	30c. gal.	29	28	27	28	29	30	31	33	32	33⅓	31	32	29	30	28	27	29	31	33⅓
Molasses,	New Orleans,	50 gals. Bbl.	42c. gal.	40	41	42	39	40	43	38	37²	39	40	42	41	38	37²	39	40	41	42	43
Mackerel,	Large Extra,	20 lb. Pail,	2.05 pail,	2.15	2.10	2.12²	2.05	2.15	2.00	2.10	2.05	2.00	2.15	2.20	2.10	2.25	2.20	2.15	2.12²	2.05	2.10	2.00
Matches,	Gates,	3 gro. Pkg.	60c. gro.	55	62²	60	58	62	62²	65	64	62	58	60	62²	65	63	62	60	61	58	62
Oat Meal,	Akron,	200 lb. Bbl.	5.25 bbl.	5.30	5.20	5.16⅔	5.25	5.15	5.10	5.20	5.15	5.25	5.20	5.16⅔	5.30	5.25	5.15	5.20	5.16²	5.10	5.25	5.15
Prunes,	Turkish,	1500 lb. Cask,	5½c. lb.	5	5²	6	6¹	6²	6	6¹	5²	5	5¹	5	5²	6	6¹	6²	7	6²	6	6¹
Pepper,	Shot,	120 lb. Bag,	15c. lb.	16⅔	16	15²	15	14	12²	13	14	14²	15	15²	16	16⅔	16	15	15²	15	16⅔	16
Rice,	G. N. C. Head,	300 lb. Bbl.	3⅝c. lb.	4	3⅞	3²	3⅜	4⅛	4	3⅞	3⅜	3	3⅝	3²	4⅛	4	3⅞	3⅜	3²	4¹	3⅝	3⅞
Raisins,	London Layers,	20 lb. Box,	10²c. lb.	10¹	11²	12¹	9²	10	12²	12	11	10²	12	12	11	12²	10	11	10²	12	9	10
Sugar,	Standard A,	325 lb. Bbl.	4⅞c. lb.	4⅝	4²	4³	4¹	4⅜	5	4 15/16	4 13/16	4²	4 7/16	4⅞	4 11/16	4³	4 9/16	4 5/16	4¹	4⅜	4⅞	4⅝
Sugar,	Granulated Fine,	325 lb. Bbl.	5c. lb.	4²	4⅝	4 7/16	4 5/16	4²	4 3/16	5	4²	4¹	4²	4²	5	5 3/16	5²	5¹	5⅜	5²	5	4²
Sugar,	White C,	330 lb. Bbl.	4⅝c. lb.	5	4²	4¹	4	4⅞	5	4 1/16	4⅜	4⅝	5	4¹	4⅞	4	4⅜	4²	5	4⅝	4 13/16	5
Sugar,	Yellow C,	300 lb. Bbl.	3⅞c. lb.	3 9/16	3 1/16	3⅝	3 5/16	3²	3 3/16	4¹	3³	3²	3 5/16	3⅞	4	3 9/16	3²	3⅝	3 5/16	4	3²	3⅞
Starch,	Pure Gloss,	160 lb. Bbl.	3c. lb.	4	2²	3²	4	4²	5	3²	4	3	4	3²	3¹	4	3¹	3²	4	3¹	4	3
Salt,	Fine Table,	10 lb. Bag,	5c. bag	4²	5	6	5²	8	7	6	5	4²	6	5²	7	5	8	6¹	4	7	8	6²
Salt,	Onondaga,		75c. bbl.	80	70	85	80	62²	65	70	80	75	85	75	80	65	62²	70	75	80	65	70
Soap,	Empire,	100 1 lb. Cakes in Box,	3.50 box	3.25	3.37²	3.50	3.25	3.37²	3.50	3.25	3.00	3.50	3.25	3.37²	3.12²	3.15	3.20	3.10	3.16⅔	3.25	3.50	3.37²
Soap,	White Castile,	40 ¾ lb. Cakes in Box,	11²c. lb.	12	12¹	11¹	12²	11	11³	12	12²	13	12²	12²	12	12¹	11³	11	12	12²	11¹	11
Tea,	Japan,	70 lb. Chest,	40c. lb.	37²	38	40	42	40²	41	38²	39	37²	38	40	39²	42	41	40³	41²	40	39	38
Tea,	Oolong,	40 lb. Chest,	37²c. lb.	40	39	37²	38	36	37²	39	36	40	41	38	37	35	36	38	37	41	37²	36
Tea,	Young Hyson,	75 lb. Chest,	42c. lb.	41	43	42	42¹	43²	44	42	41	42²	42	43	44	43¹	42	41	40²	42	40	41
Tapioca,	Pearl,	150 lb. Bag.	5½c. lb.	5²	5	5³	6	5	5²	5¹	5²	5	4³	4²	4	4²	4³	5	6	5²	5¹	6
Vinegar,	Cider,	50 gals. Bbl.	10c. gal.	10¹	10²	11	9²	9²	10	11	12	11²	11	12	12²	11	10	9²	10¹	10	11	10²
Yeast,	National,	1 dz. Cakes in Pkg.	45c. dz.	42²	41³	46	45	43²	42	44	45¹	43	42²	41¹	40	45¹	46	44⁸	43	42²	45	44

NOTE.—For convenience of reference and to guard against errors, it is recommended that the student copy off, on the opposite sides of a sheet of heavy paper or cardboard, the price lists assigned him for performing the work, using the same list number in both buying and selling. Where the fractions are not expressed in full in the price lists, fourths are understood. For example: 12¹ means 12¼; 37² means 37½; 4³ means 4¾.

BUSINESS PRACTICE SELLING PRICE LISTS.

ARTICLE.	DESCRIPTION.	QUANTITY.	No, 1.	2.	3.	4.	5.	6.	7.	8.	9	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.
Baking Powder,	Royal,	Case, 1 dz. 1 lb. Cans.	40c. lb.	42	40^2	43	41^3	40	38	37^2	35	39	40	42^2	42	41^1	44^2	43	40^2	43^2	40	40^2
Coffee,	Java,	Mat, 100 lbs.	25c. lb.	22	21	24^1	20	21^2	24^3	25	24^3	26^2	29	26	28^3	25	23	20^2	20^1	21	24^3	21
Coffee,	Rio,	Bag, 140 lbs.	20c. lb.	19	20^2	17	18^2	15	20	18^1	17^2	$16\frac{2}{3}$	17^2	20^2	19	22	22^2	19^3	21^2	19^3	18^2	20^2
Coffee,	Mocha,	Mat, 70 lbs.	26c. lb.	25	26	28	25	23	22	25	26	26^2	26	28	24	25	27	26	28	27	23	24
Cocoa,	Epps' Breakfast,	$\frac{1}{2}$ lb. Can,	39c. lb.	37^2	39	$33\frac{1}{3}$	38	35	37^2	36	40	41	39	37^2	38	36	38	$33\frac{1}{3}$	37^2	39	41	39
Chocolate,	Baker,	1 lb. Pkg.	36c. lb.	39	37^2	35	36	$33\frac{1}{3}$	32	31	30	30^2	$33\frac{1}{3}$	35	36	33^2	34	35	33	31	30	30
Cheese,	Full Cream,	54 lb. each,	14^2c. lb.	14	14^2	13^2	12^3	14	12	14	12^2	13	14	12	12^2	13	15^2	$16\frac{2}{3}$	15	14	13	14
Codfish,	Boneless,	40 lb. Box,	7c. lb.	7^2	7	7^2	6^3	6	8	7	6^3	5^3	6^2	7	7^2	6^3	7	6	6^2	7^2	7	6
Currants,	English,	350 lb. Bbl.	$4\frac{5}{8}$c. lb.	5^2	4^1	3^3	$4\frac{3}{8}$	4^2	$4\frac{5}{8}$	4	4^3	4^2	$4\frac{7}{8}$	4^3	$3\frac{7}{8}$	4^2	4^1	4^2	$4\frac{3}{8}$	4^2	4^3	4^1
Crackers,	Oyster,	60 lb. Bbl.	5^2c. lb.	5	4^2	6	5^2	4^2	5	5^2	6^1	6^2	5^2	6	5	5^2	4^2	4^2	4^2	5^2	5	4^2
Flour,	Roller Process,		5.50 bbl.	5.20	5.00	5.15	5.00	5.20	5.00	5.10	5.15	5.20	5.10	5.20	5.25	5.30	5.40	5.35	5.25	5.15	5.05	5.00
Molasses,	Porto Rico,	50 gals. Bbl.	35c. gal.	34	$33\frac{1}{3}$	32	33	34	35	35^2	37	36	37^2	36	36^2	$33\frac{1}{3}$	34	32	31	$33\frac{1}{3}$	35	37^2
Molasses,	New Orleans,	50 gals. Bbl.	50c. gal.	46	47	48	45	46	48	45	42	45	46	47	46	44	43	45	46	47	48	49
Mackerel,	Large Extra,	20 lb. Pail,	2.25 pail,	2.35	2.25	2.20	2.15	2.12^2	2.25	2.30	2.20	2.15	2.30	2.35	2.25	2.40	2.35	2.30	2.25	2.20	2.25	2.20
Matches,	Gates,	3 gro. Pkg.	65c. gro.	60	68	65	62^2	67	68	70	69	$66\frac{2}{3}$	63	65	67^2	70	69	$66\frac{2}{3}$	65	66	63	$66\frac{2}{3}$
Oat Meal,	Akron,	200 lb. Bbl.	6.00 bbl.	6.00	5.90	5.80	5.95	5.80	5.75	5.85	5.75	5.80	5.90	5.85	6.00	5.90	5.85	5.90	5.85	5.75	6.00	5.80
Prunes,	Turkish	1500 lb. Cask,	6c. lb.	5^2	6	6^2	6^3	7	6^2	6^3	6	5^2	5^3	5^2	6	6^2	6^2	7	7^2	7^1	6^2	7
Pepper,	Shot,	120 lb. Bag,	20c. lb.	21	20	18	18	17^2	15	$16\frac{2}{3}$	17	18	19	20	20^2	21	20^2	18^2	18	19	20	19
Rice,	G. N. C. Head,	300 lb. Bbl.	$4\frac{3}{4}$c. lb.	5	4^2	4^1	4	5	$4\frac{7}{8}$	4^2	4^1	4	4^2	4^1	5	4^2	4^2	4^1	4^2	5	4^3	4^2
Raisins,	London Layers,	20 lb. Box,	14c. lb.	13^2	14	15	12^2	13	16	15	14	13^2	15	15^2	14	16	14	14	13^2	15	12^2	13
Sugar,	Standard A,	325 lb. Bbl.	$5\frac{1}{8}$c. lb.	$4\frac{7}{8}$	4^2	5	4^2	$4\frac{5}{8}$	5^1	$5\frac{1}{8}$	5	4^2	$4\frac{7}{8}$	5^1	5	5	$4\frac{7}{8}$	5	4^2	5	5^1	5
Sugar,	Granulated Fine,	325 lb. Bbl.	5^2c. lb.	5	5^1	5	4^3	5	5^1	5^2	5	4^3	5^1	5	5^2	5^3	6	5^2	6	5^3	5^2	5^1
Sugar,	White C,	330 lb. Bbl.	5c. lb.	$5\frac{3}{8}$	5	4^3	4^2	5^1	5^2	5	$5\frac{1}{8}$	5^1	5^2	4^3	5^1	4^2	$4\frac{7}{8}$	5	$5\frac{3}{8}$	5	$5\frac{1}{8}$	5^2
Sugar,	Yellow C,	300 lb. Bbl.	4^2c. lb.	4	4^1	4	4^1	3^3	4	4^2	4	$3\frac{7}{8}$	4^1	$4\frac{3}{8}$	4^2	4	3^3	4	4^1	$4\frac{3}{8}$	4	4^1
Starch,	Pure Gloss,	160 lb. Bbl.	$3\frac{3}{4}$c. lb.	4^2	3	4	4^2	5	5^2	4	4^2	3^2	4^2	4	3^3	4^2	3^2	4	4^2	3^3	4^2	3^2
Salt,	Fine Table,	10 lb. Bag,	7c. bag	6^2	7	8	7^2	9^2	9	8	7	6^2	8	7^2	9	7	9^2	8^2	6	9	10	8^2
Salt,	Onondaga,		1.00 bbl.	1.05	95	1.05	1.00	85	90	95	1.00	90	95	90	85	80	90	95	1.00	1.00	85	90
Soap,	Empire,	Box, 100 lbs.	4.25 box	3.75	4.00	4.00	3.75	4.10	4.00	3.75	3.62^2	4.00	3.75	4.05	3.62^2	3.70	3.75	3.65	$3.66\frac{2}{3}$	3.75	4.00	4.10
Soap,	White Castile,	Box, 30 lbs.	13^2c. lb.	14	14^2	13	14^2	13	13^2	14	14^2	15	14^2	14^1	14	14	13^2	13	14	14^2	13	12^2
Tea,	Japan,	70 lb. Chest,	50c. lb.	42	44	45	48	46	47	46	47	45	46	47	46	48	47	47	48	46	45	44
Tea,	Oolong,	40 lb. Chest,	45c. lb.	46	45	44	45	42	43	44	43	46	47	45	44	41	42	44	43	47	45	44
Tea,	Young Hyson,	75 lb. Chest,	55c. lb.	50	51	50	50	51	50	51	50	52	51	49	50	51	50	49	47	48	46	48
Tapioca,	Pearl,	150 lb. Bag,	6^3c. lb.	6^3	6	6^2	7	6	6^2	6^1	6^2	6	5^2	5^2	5	5^2	5^2	6	6^3	6^2	6^1	6^2
Vinegar,	Cider,	50 gals. Bbl.	12^2c. gal.	12^2	12^2	13	11^2	12	12^1	12^2	14	13	13	14	14^2	13	12^2	11	12	12	13	12^2
Yeast,	National,	1 dz. Cakes in Pkg.	55c. dz.	50	48	52	51	50	48	52	53	52	48	47	45	50	51	50	49	48	52	51

NOTE.—See note on opposite page.

_____, January 1, 18—.

_____ (Student) has this day been admitted an equal partner in the Wholesale Grocery House of Wm. L. Richmond, located at 384–390 Concord Ave., this City. The firm name is to be Richmond & _____ (Student), and the duration of the partnership five years.

It is agreed that the Resources shown by the Ledger of the old business shall constitute Richmond's investment (less his Liabilities, which the firm assumes), all Personal Accounts and Bills Receivable being guaranteed by him, as set forth in the appended Statement:

It is agreed that _____ (Student), shall invest cash equal to Richmond's present worth, shown by the difference between his Resources and Liabilities, as enumerated below.

It is further agreed that each partner shall devote his entire time and energies to the business for which this partnership is created; but in view of the Senior partner's long experience and more valuable services, he shall be allowed by the firm a salary of $1,000.00 per year, during the first two years of this co-partnership.

It is agreed that interest shall be charged upon all sums drawn from the business by the partners for their private use, and interest shall be credited upon all sums additionally invested.

It is agreed that complete and accurate books of account shall be kept, and these shall, at all times, be open to the inspection of either partner or his attorney. Once each year or oftener, an accounting of the business shall be made, and the profits and losses arising from its conduct shall be entered, share and share alike, in the partners accounts.

At the expiration of the time for which the partnership is formed, the assets shall be converted into cash and the balance remaining after all the liabilities have been discharged, shall be divided between the partners as their partnership interests shall appear.

Note.—Articles of co-partnership, embodying the conditions and requirements set forth above, may be drawn up by the student at the discretion of the teacher.

For general form of Articles of Co-partnership, see Commercial Law.

WM. L. RICHMOND'S RESOURCES.

Notes and Acceptances (See Note to Student below).

A note made, David A. Parker, City, ——, his favor, dated July 6 last, at 6 months, payable at his (Parker's) office, with interest, $2,000.00, on which the following payments have been made:—

July 24, $350; Sept. 4, $500; Dec. 3, $200. (In writing this note endorse the payments on the back of it.)

A draft drawn by Hamilton & Co., White Plains, ——, his favor, on Francis C. Budlong, Corfu,——, dated Sept. 9 last, at 4 months from date, accepted payable at First National Bank. $218.44.

A note made by Geo. Bostwick & Son, City, his favor, dated Oct. 2 last, at 90 days, payable at Traders' National Bank, with interest, $400.

A note made by Henry D. Taft, Carthage, ——, his favor dated Oct. 4 last, at three months, payable at Anson County Bank, with interest. $600.

A note made by Meyers & Feltman, City, favor E. H. Cooper, and by him endorsed to Richmond, dated Nov. 2 last, at 60 days, payable at First National Bank. $341.36.

Note To Student.—Draw the above five notes (except signatures) and write a full indorsement (except signature) on each one transferring it from Richmond to the firm, since the notes are all drawn in favor of Richmond, but are now the property of the firm. Present the notes at the Com'l. Ex. for the signatures of maker and endorser; enter them in the Bill Book, and then debit Bills Recv. account in the Ledger direct for each note separately under the date of the note and credit Bills Recv. acc't for the partial payments under their respective dates. No entries need be made in the Journal for the resources and liabilities constituting Richmond's investment.

For Ledger space, see page 159.

PERSONAL ACCOUNTS. (See note next page.)

Martin & Bishop, Gainesville, ——.

	Dr.			Cr.	
Aug. 4.	Invoice 60 ds.	$613 25	Sept. 1.	Cash	$300
Oct. 25.	" 30 ds.	342 50	Nov. 1.	"	600
Dec. 12.	" 60 ds.	406 45			

E. D. Carpenter & Co., Millville, ——.

Dr.			Cr.		
Aug. 17.	Invoice 60 ds.	$140 32	Oct. 15.	Cash	$300
Sept. 26.	" 30 ds.	275 00	Nov. 1.	Note 60 ds.	400
Oct. 3.	" 30 ds.	400 20			
Nov. 27.	" 30 ds.	310 82			

Howard O. Strong, City.

Nov. 12. Invoice 60 ds. $351 80.

Ballantyne Bros., Geneva, ——.

Dr.			Cr.		
Sept. 6.	Invoice 30 ds.	$295 68	Oct. 1.	Cash	$100
Dec. 10.	" 30 ds.	302 05	Nov. 1.	"	50
			Dec. 10.	"	100

James Gordon, Argyle, ——.

Nov. 2. Invoice 60 ds. $326 40.

Odell & Moffett, City.

Nov. 3. Invoice 60 ds. $450 50.
Dec. 5. " 30 ds. 232 86.

Henry Pell & Co., Gouverneur, ——.

Sept. 8. Invoice 60 ds. $425 22.
Nov. 3. " 60 ds. 380 12.

F. W. Hendrick's Sons, Decatur, ——.

Dec. 6. Invoice 30 ds. $396 16.
Dec. 12. " 30 ds. 208 74.

Holliway & Holliway, City.

Dec. 7. Invoice 30 ds. $384 41.

Note.—Open above accounts in the Ledger and enter the items (not the totals) in each account. For Ledger space see page 159.

MERCHANDISE PER INVENTORY.

65 bbls.	Roller Process Flour.	20 bbls.	Standard A Sugar.
30 bbls.	Granulated Sugar.	15 bbls.	White C Sugar.
20 ch.	Japan Tea.	20 ch.	Y. H. Tea.
25 bxs.	London Layer Raisins.	15 bbls.	Porto Rico Molasses.
13 bbls.	New Orleans Molasses.	15 mats	Java Coffee.
15 bags	Rio Coffee.	12 mats	Mocha Coffee.
5 bxs.	Boneless Codfish.	25 bxs.	Empire Soap.
3 bbls.	Cider Vinegar.	50 pails	Mackerel.
5 bbls.	Oyster Crackers.	20 pkgs.	National Yeast.
25 bbls.	Onondaga Salt.	200 bags	Fine Table Salt.

Note.—Make out an Inventory sheet of the above from your buying price-list and enter the total to the debit of Mdse. acct. in the Ledger. Remember to add another cent to the result in *every computation* where the fraction is one-half cent or more. Make the extensions mentally in every case where you can possibly do so, using paper and pencil only when absolutely necessary. After completing in this manner the entire invoice, it might be well to verify some of the more difficult items with paper and pencil. In a short time, however, this precaution will be unnecessary, and simply a review, mentally, of the entire work will suffice. You will be surprised and gratified by the proficiency you will soon attain in rapidity and accuracy if you will persist in this method.

FURNITURE AND FIXTURES.

Office Safe, Office Furniture, and other Store Fixtures, as per Schedule ..... $575.

Note.—Open an account in the Ledger with Furniture and Fixtures, and debit it for above amount.

INSURANCE.

Unearned premium on Insurance on Stock $38 75

NOTE.—Open an account in the Ledger with Insurance and debit it for the above amount.

INTEREST AND DISCOUNT.

Balance of interest and discount in Richmond's favor on Bills Receivable, Bills Payable, and Personal Accounts $42 14

NOTE.—Open an account with Interest and Discount and debit it with above balance. This balance of interest and discount is obtained as follows:—

Rate 6 per cent. on a basis of 360 days for a year, difference in time being found, in every case, by counting actual number of days.

In the Personal accounts owing to Richmond, if an invoice be due before Jan. 1, the interest on it from maturity to Jan. 1, is a resource; if due after Jan. 1, the discount on it from Jan. 1 to maturity, is a liability. In accounts owing by Richmond, if an invoice be due before Jan. 1, the interest on it to Jan. 1 is a liability; if due after Jan. 1 the discount on it from Jan. 1 to maturity, is a resource.

Bills Receivable, bearing interest, the interest to Jan. 1, is a resource; those not bearing interest, the discount from Jan. 1 to maturity, is a liability. Bills Payable, bearing interest, the interest to Jan. 1 is a liability; those not bearing interest, the discount from Jan. 1 to maturity, is a resource.

The difference between the sum of the several resource items and the sum of the several liability items, is the amount given above.

WM. L. RICHMOND'S LIABILITIES.

NOTES AND ACCEPTANCES.

His note in favor of Boyd & Clark, dated Oct. 2 last, 90 ds., payable at College National Bank, with interest $1500

His note dated Nov. 4 last, at 2 mo., in favor of James H. Boltwood, payable at College National Bank, with interest $1000

Draft drawn on him by Logan, Caswell & Co., Boston, favor E. T. Morgan, dated Dec. 6 last, at 30 ds. sight, accepted Dec. 8, and payable at College National Bank $523 30

NOTE.—Draw above notes and draft, except signature. Enter them in Bill Book. Credit Bills Payable acct. in the Ledger direct, for each note separately. Hand them to clerk in the Com. Ex. Before handing them in, write your name in pencil in the upper left corner of each note for the convenience of the clerk in the Com. Ex.

PERSONAL ACCOUNTS (All represented by the Merchant's Emporium).

CLARK, ENDICOTT & FIELDING, New York.

DR.			CR.		
Sept. 3.	Cash	$1500	July 12.	Invoice 90 ds.	$2619 62
Nov. 1.	Note, 60 ds. with interest	1500	Sept. 3.	" 60 ds.	854 09
			Dec. 21.	" 60 ds.	1608 96

CRANDALL & CO., City.

CR.

Oct. 3.	Invoice 30 ds.		$205 75
Oct. 10.	" 30 ds.		116 60

ALEXANDER MITCHELL, City.

CR.

Nov. 6.	Invoice 60 ds.	$164 34

ROBT. H. BOYD & CO., Baltimore.

CR.

Oct. 5.	Invoice 90 ds.		$235 26
Oct. 9.	" 90 ds.		112 00
Nov. 12.	" 60 ds.		330 09

STEVENS BROS. & SELDEN, City.

CR.

Nov. 9. Invoice 60 ds. $160 00
Nov. 12. " 60 ds. 79 12

MEAD, FARLEY & MEAD, New York.

DR.			CR.		
Dec. 4.	Cash	$350	Oct. 19.	Invoice 60 ds.	$518 00
			Dec. 4.	" 60 ds.	320 11

MYERS & ARKWRIGHT, City.

CR.

Dec. 4 Invoice 30 ds. $325 90

J. M. CONE & SON, City.

CR.

Dec. 6. Invoice 30 ds, ... $250

NOTE.—Open above accounts in the Ledger and enter the items (not the totals) in each account.

Wm. L. Richmond's present worth, $——.

JANUARY 1, 188—.

——— (student), pays into the business cash equal to Richmond's present worth, $——. (C. B.)

NOTE.—The teacher will give you an order on Commercial Exchange for the above amount. Collect it and make an entry in the cash book.

Renew the lease of the store 384–390 Concord Avenue, of Andrew D. Bennett, for five years, at $2400 per year, payable monthly in advance. All taxes, except the water-tax, are to be paid by the owner, who is also to make any necessary repairs. Tenant is to have the privilege of sub-letting. Pay one month's rent in advance in cash. (C. B.)

NOTE.—A lease embodying the above conditions, may be written by the student at the discretion of the teacher. A duplicate lease is generally made, so that each party may have a copy. Pay at Com'l Ex. one month's rent and take a receipt.

The pupil will be expected to draw the papers for all parties except those represented by Mer. Emp. and C. N. Bank, affixing, however, only his firm's signature to such as require it. Papers requiring the signatures of other parties must be presented at the office indicated in the memoranda, to be signed.

Deposit in C. N. Bank all the cash on hand except $200. (Ck. Bk.)

NOTE.—Write a deposit ticket (see Business Forms) and present it, with money and Pass-Book, at the Bank, and receive credit. Also write the signature of the firm in the Signature Book at the Bank. The style of signature adopted should be one that can be written rapidly and legibly, and alike at all times, as nearly as possible.

The following bill of Mdse. was ordered by Richmond, Dec. 26, at 60 ds., of Clark, Endicott & Fielding, New York: 2 casks Turkish Prunes, 10 bags Pearl Tapioca, 5 bags Shot Pepper, 5 bbls. P. R. Molasses, 10 mats Java Coffee, 10 ch. Japan Tea, 10 ch. Oolong Tea, 5 bbls. New Orleans Molasses, 5 bags Rio Coffee, 10 bxs. Boneless Codfish, 25 bxs. London Layer Raisins, 20 bxs. White Castile Soap.

NOTE.—Make a copy of this order on Order Sheet, and hand to Merchants Emporium. No entry required.

Sell Ballantyne Bros. Geneva,——, 30 ds. on acct., 3 ch. Japan Tea, 1 bbl. Porto Rico Molasses, 5 bbls. Granulated Sugar, 3 bags Rio Coffee, 5 pails Mackerel.

NOTE.—Make out invoice of above from selling price list and deliver to Com. Ex. Remember the suggestion in a previous note in regard to making the extensions mentally.

Receive of James Gordon cash in full of invoice, Nov. 2.

NOTE.—Receive the cash at Commercial Exchange and give a receipt.

Pay cash for sundry items of Stationery, $5.00.

NOTE.—Pay above to Com. Ex. Charge to Expense.

Order of Mead, Farley & Mead, New York, 60 ds., 40 bbls. White C. Sugar, 20 bbls. A. Sugar, 20 bbls. G. Sugar.

NOTE.—Write a letter ordering the above. Give shipping directions and request them to forward as soon as possible. Enclose the letter in envelope properly addressed and hand to Merchants Emporium. No entry will be made until the goods are received.

Sell to Summer Bros., City, at 1½ per cent., special discount for cash, 5 bxs. Empire Soap, 2 ch. Y. H. Tea, 5 bbls. Onondaga Salt, 2 bbls. A. Sugar, 1 bx. Boneless Codfish, 5 bbls. R. P. Flour.

NOTE.—Make invoice, receipt it and deliver to Com. Ex., receiving the cash. Enter in S. B. and C. B. and check the entries. In Sales Book enter, as a check, the initials C. B., and in the Cash Book S. B.

Receive the invoice of the goods ordered of Clark, Endicott & Fielding, New York, Dec. 26.

NOTE.—Receive the above at Merchants Emporium, examine the prices, extensions and footing of the Invoice, and if found correct, make the entry in the Journal. The total of the Invoice only need be entered. File the Invoice, giving name, date, terms and amount.

Pay Sundry items of freight and drayage in cash, $10.50.

NOTE.—Pay above to Com. Ex. Charge to Freight & Drayage which account will eventually be closed into Merchandise account.

Prove your cash and balance the Cash Book, post the day's business, make out a "Daily Statement" on the blank which you will find in your package of forms, and hand to the teacher receiving his "O. K." check on same before proceeding with the next day's work.

JANUARY 2, 18—.

Sell (at Com. Ex.) Martin & Bishop, Gainesville—, on acct., 60 ds., 5 bbls. A. Sugar., 5 bbls. White C. Sugar.

Sell (at Com. Ex.) Edgar W. Townsend, City, 30 ds., on acct., 3 ch. Oolong Tea., 1 cask T. Prunes, 2 bbls. Oyster Crackers, 1 bbl. Cider Vinegar, 2 bags S. Pepper, 2 bbls. N. O. Molasses, 5 bxs. E. Soap.

Buy (at C. N. Bank) a draft on New York for $1000, and give your check for same with exchange added at ¼ per cent. Remit the draft to Clark, Endicott & Fielding, New York, to apply on %.

NOTE.—In drawing the check say in the body, Pay to Draft $1000; & Exchange $2.50. Charge the exchange to Collection & Exchange account. Write a letter enclosing the above draft, with full endorsement, and hand it to Mer. Emp.

Buy (at Mer. Emp.) of Alex. Mitchell, 60 ds., on acct., 50 bbls. O. Salt, 500 bags F. T. Salt.

NOTE.—Fill out an Order Sheet and hand to the Mer. Emp. The invoice will be delivered to you later in the day.

Receive (at Com. Ex.) cash of Odell & Moffett, in full for invoice, Nov. 3.

Sell (at Com. Ex.) E. D. Carpenter & Co., Mellville—, 30 ds. on acct., 2 bbls. P. R. Molasses, 10 pkgs. National Yeast, 5 bxs. Boneless Codfish, 5 bags Pearl Tapioca, 3 mats Java Coffee, 3 ch. O. Tea, 5 bxs. White C. Soap.

Leave (at C. N. Bank) Myers & Feltman's note for collection.

NOTE.—Make memorandum in Bill Book, "Left for Collection." Endorse the note and hand it in at the Bank.

Pay (at Com. Ex.) cash for two tons of coal for store $10.50.

Sell (at Com. Ex.) Chas. H. Parmelee, Ogden—, at 1 per cent., special discount for cash, 5 mats J. Coffee, 5 pkgs. N. Yeast, 3 ch. O. Tea, 5 bxs. E. Soap.

Receive (at Com. Ex.) of David A. Parker, a payment of $300 cash to apply on his note.

NOTE.—Endorse the payment on the note (See Business Forms) and make memorandum in B. B.

Give (at Mer. Emp.) Myers & Arkwright, your check to pay invoice of Dec. 4th.

Pay (at Com. Ex.) cash for drayage for the day, $1.25.

Receive of Henry Pell & Co., their note to balance account, with 63 days interest added. The note is dated on the equated date of payment of the account, at 60 ds., payable at Traders National Bank, this city.

NOTE.—Equate the account; draw up the note and present it at Com. Ex for signature. In equating the account use the Interest method, assuming the latest date in the account as the focal date, carrying out and preserving the computations to five decimal places. This requirement is made in order to secure uniform accuracy in the results. As a matter of practice it would not be considered necessary to be so exact in the fractions.

Deposit all your cash except $50.00.

Write an advertisement, to be inserted in the daily papers, for a Shipping Clerk. State qualifications required, and any other conditions you may consider desirable. Hand adv. to Com. Ex.

Prove your cash and balance the Cash Book. Post the day's business. Make out "Daily Statement" slip and hand to the teacher.

JANUARY 3, 18—.

Richmond's note favor Boyd & Clark, assumed by the firm, is due to-day, and has been charged to the firm account at College National Bank, in accordance with your instructions.

Sell (at Com. Ex.) James Gordon, Argyle—, 60 ds., on account, 5 mats J. Coffee, 2 bbls. P. R. Molasses, 2 bags Pepper, 5 ch. J. Tea, 5 bbls. G. Sugar, 5 bbls. White C. Sugar.

Buy (at C. N. Bank) by check at ¼ % Exch., a draft on New York, and remit it to Robt. H. Boyd & Co., Baltimore, in full of invoice Oct. 5th.

NOTE.—See note under remittance made to Clark, E. & F., 2nd inst.

Buy (at Mer. Emp.) of Myers & Arkwright, City, 30 ds., on acct., 20 bbls. O. Crackers, 50 pkgs. N. Yeast.

Receive (at Com. Ex.) of Ballantyne Bros., their check on Citizens Bank, Geneva, $200 on acct.

NOTE.—Draw up this check (except signature) on the blank which you will find in your package, and present it at Com. Ex to be signed.

Sell (at Com. Ex.) Henry G. Wheeler, City, at 1 per cent. discount for cash, 20 bbls. O. Salt, 5 ch. Y. H. Tea, 10 pails Mackerel, 5 bbls. G. Sugar, 10 bbls. R. P. Flour.

NOTE.—Receipt the invoice and check the entries in Sales Book and Cash Book.

Order of Clark, Endicott & Fielding, New York, 60 ds., on acct., to be shipped by fast freight, 100 cans Epps' Breakfast Cocoa, 100 pkgs. Baker's Chocolate, 5 bbls. English Currants, 20 pkgs. Gates Matches, 25 bbls. Pure Gloss Starch, 10 bags Pearl Tapioca, 10 bbls. G. N. C. Head Rice, 25 dz. cans Royal Baking Powder.

NOTE.—Write a letter ordering the above, and hand it to Mer. Emp.

Receive (at Com. Ex.) of Martin & Bishop, cash on acct., $200.

Pay (at Mer. Emp.) Crandall & Co., cash in full of invoices of Oct. 3rd and Oct. 10th, and interest since maturity.

Sell (at Com. Ex.) Howard O. Strong, City, 60 ds. on acct., 5 mats M. Coffee, 5 mats J. Coffee, 10 bxs. L. L. Raisins, 100 bgs. F. T. Salt, 10 pkgs. N. Yeast, 5 ch. J. Tea, 1 ch. O. Tea, 1 bag S. Pepper, 3 bbls. A. Sugar.

Receive (at Com. Ex.) cash in payment of Geo. Bostwick & Son's note and interest, due to-day.

Pay (at Com. Ex.) drayage for the day, in cash, $1.50.

Deposit Ballantyne Bros. check and all currency except $100. Bank charges ¼ % collection on the check.

In response to your advertisement of yesterday for a shipping clerk, letters from several applicants for the position were received, and among the number, one from Charles R. Dent, of 154 Oregon St., which impressed you most favorably, and resulted in his engagement at a salary of $50 per month.

NOTE.—You will make a copy of the above letter of application. Give careful attention to the composition arrangement, capitalization, punctuation and penmanship. Enclose the letter in an envelope, properly addressed, and hand to the teacher.

Prove your cash and balance the Cash Book. Post the day's business. Make out "Daily Statement" slip and hand to the teacher.

JANUARY 4, 18—

Pay (at Com. Ex.) "Daily News" bill of advertising, in cash, $15.

Leave H. D. Taft's note at C. N. Bank for collection.

Receive (at Mer. Emp.) the invoice of goods ordered of Mead, Farley & Mead, 1st inst.

Sell (at Com. Ex.) L. D. Oliver, City, on his note at 3 ds., endorsed by Geo. Osgood, payable at Merchants Bank, 7 ch. J. Tea, 3 ch. Y. H. Tea, 20 bxs. L. L. Raisins, 3 bbls. P. R. Molasses, 6 bbls. O. Crackers, 6 bbls. G. Sugar, 12 pkgs. N. Yeast.

NOTE.—In writing this note, after the words "payable at Merchants Bank," add in parenthesis (To be presented to the teacher at maturity).

Receive (at Com. Ex.) cash of Odell & Moffett, in full of Invoice Dec. 5.

Order (by letter) of Robt. H. Boyd & Co., Baltimore—, 60 ds. on acct., 50 bbls. Y. C. Sugar, 25 bbls. N. O. Molasses, 15 bbls. P. R. Molasses.

Pay (at Mer. Emp.) J. M. Cone & Son, cash for Invoice Dec. 6.

Receive credit at C. N. Bank for Meyers & Feltman's note, due to-day.

NOTE.—Present your Pass Book at the Bank and receive credit. The note being payable in the city, no charge is made for collecting.

Pay (at Com. Ex.) cash for cleaning store, $3.50.

Buy (at Mer. Emp.) of Crandall & Co., City, 30 ds. on acct., 25 bbls. R. P. Flour, 15 bbls. Oat Meal.

Buy (at Com. Ex.) of Graves & Clark, 1 Cylinder-top Office Desk, $125. Give them check in payment. (Furniture & Fixtures acct.)

Ship Richard Olmstead, Clarksville—, by National Express, C. O. D., 4 ch. J. Tea, 4 ch. Y. H. Tea.

NOTE.—It is customary to ship goods C. O. D. (collect on delivery) where the responsibility or credit of the buyer is limited, or where his financial standing is unknown to the seller. Make one Invoice in detail, to be mailed to the customer. Then make a second Invoice, reading "Mdse. per Invoice by mail," giving the *amount* of the Invoice only, not the items, and enclose it in the C. O. D. envelope, which you will find in your package of forms. Fill out the envelope by writing the amount of the Invoice in the first blank space, leaving the second and third blanks to be filled by the Express Co. At the bottom of the envelope, under Remarks, write "Add return charges."

Open an account in the Ledger with "C. O. D. Accounts." See explanation for "Miscellaneous Accounts," p 108.

Sell (at Com. Ex.) Henry Pell & Co., Gouveneur—, 60 ds. on acct., subject to draft, 30 bbls. R. P. Flour, 5 bbls. Oat Meal, 20 bbls. O. Salt, 200 bags F. T. Salt.

Sell (at Com. Ex.) Holliway & Holliway, City, 60 ds. on acct., 2 bbls. P. R. Molasses, 2 bbls. N. O. Molasses, 20 pails Mackerel, 5 bbls. A. Sugar, 5 bbls. W. C. Sugar, 10 bxs. E. Soap, 3 ch. J. Tea, 3 ch. Y. H. Tea, 3 bags Tapioca, 20 pkgs. N. Yeast.

Pay (at Com. Ex.) freight and drayage, for the day, in cash, $10.25.

Deposit in C. N. Bank all the cash on hand.

Prove and balance the cash, post the day's business and make daily statement.

JANUARY 5, 18—.

Receive (at Mer. Emp.) the invoice of goods ordered of Clark, Endicott & Fielding, 3rd inst.

Receive (at Com. Ex.) cash of F. W. Hendrick's Sons, in full of invoice of Dec. 6.

Remit Mead, Farley & Mead, New York, your note at 30 ds., payable at C. N. Bank, to apply on acct., $800.

NOTE.—Write a letter enclosing the note and hand it to Mer. Emp.

Sell Odell & Moffett, City, 30 ds. on acct., 10 bbls. Flour, 50 cans Epps' Cocoa, 50 pkgs. Baker's Chocolate, 5 bbls. P. G. Starch, 2 mats J. Coffee, 2 mats M. Coffee, 5 dz. cans R. Baking Powder, 1 bbl. E. Currants.

Telegraph Robt. H. Boyd & Co., Baltimore, to add to your order of yesterday, three casks of Turkish Prunes. Pay the charges on the telegram, 50c., in cash. (Debit Expense.)

NOTE.—Limit the number of words in the message to ten.

Discount at C. N. Bank, H. Pell & Co.'s note, and have the proceeds placed to your credit.

Sell (at Com. Ex.) Ballantyne Bros., Geneva—, 30 ds. on acct., 5 dz. cans R. Baking Powder, 5 bbls. O. Crackers, 5 bbls. O. Meal, 10 bxs. L. L. Raisins, 3 pkgs. N. Yeast, 5 bbls. A. Sugar, 5 bbls. G. Sugar, 5 bbls. P. R. Molasses, 5 bbls. N. O. Molasses, 7 bags R. Coffee, 3 ch. J. Tea, 5 bags P. Tapioca.

Receive (at Com. Ex.) cash of Martin & Bishop, to balance their account, with interest added, or discount deducted, as the case may be, between this date and the equated date of payment.

NOTE.—Average the account by the Interest method, assuming the latest date as the focal date and carrying out and preserving all computations to five decimal places. Preserve your work and show it to the teacher before obtaining the cash.

Give (at Com. Ex.) Orville W. Dean check for $500 on Wm. L. Richmond's private account.

NOTE.—Open an account in the Ledger with "Wm. L. Richmond, Private Account."

Buy (at Mer. Emp.) of Stevens Bros. & Selden, City, at 1½ per cent. discount, for cash, 50 bxs. E. Soap. Give check in payment.

Pay (at Com. Ex.) freight and drayage, in cash, $14.50.

Deposit all the cash you have on hand except $150.

Prove and balance the cash, post the day's business, and make daily statement.

JANUARY 6, 18—.

Receive (at Com. Ex.) cash of Holliway & Holliway, for invoice Dec. 7.

Buy (at Mer. Emp.) of J. M. Cone & Son, City, at 2 per cent. discount for cash, 20 Full Cream Cheese.

Sell (at Com. Ex.) E. D. Carpenter & Co., Millville—, 30 ds. on acct., 15 bbls. Flour, 4 bbls. N. O. Molasses, 10 bbls. O. Salt, 20 bxs. E. Soap, 3 bbls. G. N. C. Head Rice, 1 cask T. Prunes, 10 bbls. A Sugar, 10 bbls. W. C. Sugar, 6 pkgs. G. Matches.

Wm. L. Richmond's note favor J. H. Boltwood (assumed by the firm), due the 7th, has been paid at C. N. Bank and charged to your account.

NOTE.—By a recent enactment in the State of New York, commercial paper falling due on a holiday, is made payable on the next business day. In most of the States, however, such paper is payable the day preceding the holiday.

Receive (at Com. Ex.) cash of James Gordon, less 1 per cent. discount, for invoice Jan. 3rd.

Buy a draft on New York for $2000 at ¼ per cent. exchange, by check, and remit it to Clark, Endicott & Fielding, New York (Mer. Emp.), to apply on account.

Order in same letter the following goods, on acct. 60 ds. to be shipped by fast freight: 20 ch. O. Tea, 25 ch. J. Tea, 25 ch. Y. H. Tea, 15 mats J. Coffee, 15 mats M. Coffee, 10 bags R. Coffee, 25 bxs. B. Codfish, 5 bbls. E. Currants, 4 casks T. Prunes, 5 bags S. Pepper, 25 bxs. L. L. Raisins, 10 bbls. G. N. C. H. Rice, 10 bags P. Tapioca.

Pay (at Mer. Emp.) Alex. Mitchell, cash in full of invoice Nov. 6.

Sell (at Com. Ex.) D. H. Johnson, City, for cash, 10 bbls. O. Salt, 100 bags F. T. Salt, 10 bxs. E. Soap, 10 bbls. Flour.

Pay (at Com. Ex.) drayage for the day, in cash, $1.

Ship the following goods to Leach & Hanford, Odessa, by Southern Despatch Line, C. O. D., to the order of C. N. Bank: 10 bbls G. Sugar, 10 bbls. W. C. Sugar, 5 bags R. Coffee, 2 ch. Y. H. Tea.

NOTE.—Make out a B/L and have it signed at Com. Ex. Draw a sight draft on Leach & Hanford in favor of C. N. Bank, attach the B/L and draft to the Invoice, and leave same with C. N. Bank for collection.

The object of sending the shipment C. O. D., is the same as explained in the case of the C. O. D. shipment by Express to Olmstead, Jan. 4. The R. R. Co. does not, however, make the collection direct, as in the case of the Express Co. The goods are marked "Subject to the order of C. N. Bank." The R. R. Agent at Odessa, will not deliver the goods until the consignees have paid the draft to the Bank in Odessa, to which it was sent by C. N. Bank for collection, and present that Bank's order on the R. R. Co. for the goods.

Pay (at Com. Ex.) salaries of employes, for the week, in cash, $150

Deposit in C. N. Bank all the cash on hand.

Prove and balance the cash, post and make daily statement and hand to the teacher, together with a trial balance of the Ledger for the week, exhibiting the differences instead of the footings of the accounts.

JANUARY 8, 18—.

Sell Martin & Bishop, Gainesville—, 60 ds. on acct., 10 bbls. R. P. Flour, 20 cans Epps' B. Cocoa, 20 pkgs. Baker's Chocolate, 5 pails Mackerel, 5 pkgs. G. Matches, 5 bbls. P. G. Starch, 5 bbls. O. Salt, 100 bags F. T. Salt, 10 bxs. E. Soap, 2 bags P. Tapioca.

Receive (at Com. Ex.) of Ballantyne Bros., their check on Citizens Bank, Geneva, $300, on acct.

Draw from C. N. Bank, by check, $150 cash, for office use.

NOTE.—Put in the body of the check "Cash for Office."

Sell James Gordon, Argyle—, 60 ds. on acct., 5 bbls. G. Sugar, 5 bbls. White C. Sugar, 5 bbls. P. G. Starch, 10 bxs. E. Soap, 10 pkgs. B. Chocolate, 5 Cheese, 2 bbls. P. R. Molasses.

C. N. Bank has received returns from Carthage—, on H. D. Taft's note. Take your Pass Book to the Bank and receive credit for the note and interest, less ¼ per cent. collection.

NOTE.—The interest is computed at 6 % on a basis of 30 days for a month.

Make a statement of E. D. Carpenter & Co.'s account. Average the account and note on the statement, and also in the Ledger, the average date of payment. Write them a letter urging a prompt settlement, either by cash, or note at 60 days, with interest added.

NOTE.—In averaging the account, use the "Interest" method, assuming the latest as the focal date, carrying out the computations to five decimal places. In writing what is termed a "Dunning" letter, nice discrimination must be exercised in the language employed. While the debtor should be given to understand unmistakably, that the demands of the creditor must be complied with, it should be done in such a way as to avoid giving offence. Present the statement to the teacher for approval, and then enclose the letter and statement and hand to Com. Ex.

Buy at C. N. Bank, by check, a New York draft at ¼ % exch., and remit same to Robt. H. Boyd & Co., in payment of invoice Oct. 9.

Sell Edgar H. Collins, Lexington—, on his note at 60 ds., payable at First National Bank, 5 bbls. Rice, 5 bbls. White C. Sugar, 2 bags P. Tapioca, 1 doz. cans R. Baking Powder, 5 bbls. O. Crackers.

Pay (at Com. Ex.) N. T. Everest, cash $100, on Wm. L. Richmond's private account.

Draw a draft on H. Pell & Co., Gouverneur—, dated Jan. 4, at 60 days from date, in your favor, for the amount of the bill sold them on that date, and enclose it to them for acceptance and return.

NOTE.—Enclose the draft in a letter and hand to Com. Ex. Make a memorandum in their acct., in pencil, as follows: "Draft sent for acceptance and return."

Pay (at Com. Ex.) drayage for the day, in cash, $1.25.

Prove and balance the Cash Book. Post the day's business. Make daily statement and hand to the teacher.

JANUARY 9, 18—.

Receive the goods ordered of Robt. H. Boyd & Co., 4th and 5th insts.

Sell F. W. Hendrick's Sons, Decatur—, 30 ds. on acct., 10 bbls. Y. C. Sugar, 5 bbls. N. O. Molasses, 5 bbls. P. R. Molasses, 5 mats J. Coffee, 5 bbls. O. Salt, 100 bags F. T. Salt.

Buy of Crandall & Co., City, 30 ds. on acct., 50 bbls. R. P. Flour, 20 bbls. O. Meal.

Pay cash for cleaning store, $2.75.

Receive (at Com. Ex.) of Odell & Moffett, cash in full of invoice Jan. 5, less 1 per cent. discount.

Buy of Holbrook & Gardner, City, at 2 per cent. discount, 20 bbls. Cider Vinegar. Give in payment check on C. N. Bank.

Receive (at Com. Ex.) cash for the C. O. D. on Richard Olmstead, shipped by National Express 4th inst.

Holliway & Holliway (at Com. Ex.) return the 20 pkgs. National Yeast sold them 4th inst., on account of its inferior quality. You will return the same to Myers & Arkwright (at Mer. Emp.) from whom you purchased it, together with the 10 pkgs. you have of same lot remaining on hand.

Pay (at Mer. Emp.) Stevens Bros. & Selden, cash in full for invoice Nov. 9.

Sell Ballantyne Bros., Geneva—, 30 ds. on acct., 1 doz. cans R. Baking Powder, 2 bags R. Coffee, 20 cans Epps' Cocoa, 1 bbl. E. Currants, 5 bbls. Oat Meal, 2 bbls. N. O. Molasses, 2 bbls. P. R. Molasses, 5 pkgs. G. Matches, 4 bbls. G. Sugar, 5 bbls. Y. C. Sugar, 10 bbls. R. P. Flour, 5 bxs. B. Codfish.

Leave L. D. Oliver's note for collection.

Receive (at Com. Ex.) of David A. Parker, cash in full for balance due on his note.

NOTE.—Find the balance due by U. S. Rule for partial payments. Find the time by counting actual number of days.

Pay freight and drayage for the day, in cash, $18.50.

Deposit Ballantyne Bros. check and all the cash on hand except $50. Bank deducts ¼ per cent. collection on the check.

Prove and balance the Cash Book. Post the day's business. Make daily statement and hand to the teacher.

JANUARY 10, 18—.

Wm. L. Richmond's acceptance favor E. T. Morgan, assumed by the firm, is due to-day and has been paid by C. N. Bank and charged to the firm acct.

One of your salesmen, Allan G. Hinchley, has been obliged to resign his position with you owing to the removal of his family to a distant city. Pay him balance due on salary, $7.50, in cash. He desires a letter of recommendation, and having proved himself faithful, efficient and trustworthy, you comply with his request.

NOTE.—Such a letter should contain a candid statement of facts regarding the character and general qualifications of the person commended. It may be addressed "To whom it may concern," "To the Business Public," or to some specified party. Hand the letter and cash to Com. Ex.

Buy of Alex. Mitchell, City, 60 ds. on acct., 100 bbls. O. Salt, 500 bags F. T. Salt.

Receive (at Com. Ex.) of Howard O. Strong, cash in full of invoice Nov. 12.

Sell Odell & Moffett, City, 30 ds. on account., 2 mats M. Coffee, 2 bbls. O. Crackers, 5 bbls. R. P. Flour, 10 bbls. O. Salt, 1 ch. Y. H. Tea, 2 bbls. C. Vinegar, 5 Cheese, 1 doz. cans R. Baking Powder.

Leave Francis C. Budlong's acceptance for collection.

Accept (payable at C. N. Bank) Mead, Farley & Mead's draft at 1 day's sight, favor Orton & Co., on acct., $500.

Receive the invoice ordered of Clark, Endicott & Fielding, the 6th inst.

Receive (at Com. Ex.) of James Gordon, cash for invoice 8th inst., less 2 per cent. discount.

Sell (at Com. Ex.) Kauffman & Co. (Clothiers), City, on acct., 1 ch. Y. H. Tea.

NOTE—Messrs. K. & Co., being personal friends, you sell them the Tea at cost price.

Buy of Myers & Arkwright, City, 30 ds. on acct., 50 bbls. O. Crackers, 50 pkgs. N. Yeast.

Sell Sloan & Hunt, City, at 1 per cent. disc't for cash, 20 bbls. O. Salt, 100 bags F. T. Salt, 20 bbls. R. P. Flour.

You owe Frank W. Brown $20.75 for extra labor in the store. He prefers not to draw the money at present, and at his request you give him a Due-Bill for the amount.

NOTE:—Journalize the Due-Bill as Bills Payable, and hand it to Com. Ex.

Sell Larkin & Pease, Oakland—, on their note at two months, payable at Cook & Sons Bank, 5 ch. J. Tea, 5 ch. Y. H. Tea, 5 mats J. Coffee, 2 mats M. Coffee, 5 bbls. Y. C. Sugar, 5 bbls. W. C. Sugar.

Pay freight and drayage for the day, in cash, $12.10.

Deposit in C. N. Bank, $600.

Prove and balance the cash. Post the day's business and make daily statement.

JANUARY 11, 18—.

Receive from C. N. Bank notice of protest of L. D. Oliver's note, due yesterday. Call at the bank and get the note and pay the protest fees, $1.00 in cash.

NOTE.—Make the fees a part of the note and debit Bills Rec.

Receive (at Com. Ex.) cash of F. W. Hendrick's Sons for invoice Dec. 12.

Buy by check a New York draft for $1000 at ¼ per cent. exch., and remit to Clark, Endicott & Fielding (Mer. Emp.), on account.

Sell Holliway & Holliway, City, 60 ds. on acct., 10 pkgs. B. Chocolate, 5 bxs. B. Codfish, 1 cask T. Prunes, 10 bxs. L. L. Raisins, 2 bbls. Rice, 20 bbls. O. Salt, 5 ch. O. Tea, 15 pkgs. N. Yeast.

Give (at Com. Ex.) one of your clerks (Chas. Williams), to apply on his salary, an order on Kauffman & Co. for goods from their store to an amount not exceeding $15.

L. D. Oliver pays his protested note of yesterday, as follows: He renews $300 of the amount by a new note at 60 ds., with same endorser as before, payable at Merchants Bank. The balance of the old note, the protest fees, and the interest on the new note, he pays in cash.

Pay (at Mer. Emp.) Stevens Bros. & Selden, cash for invoice Nov. 12.

Discount at C. N. Bank the note received of Larkin & Pease 10th inst. and receive credit for the proceeds. The bank charges ¼ per cent. for collection, in addition to the discount.

Sell Olcott & Moore, City, for cash, 5 bbls. A. Sugar, 5 bbls. G. Sugar, 5 bbls. Y. C. Sugar.

Pay (at Mer. Emp.) Crandall & Co., by check, in full of invoices Jan. 4 and Jan. 9, less 1½ per cent. discount.

Deposit all your cash except $50.

Prove and balance the cash. Post the day's business and make daily statement.

JANUARY 12, 18—.

Receive (at Com. Ex.) of E. D. Carpenter & Co., to balance account, their note dated at the equated date of payment of their acct. at 60 ds. with interest, payable at Genesee Valley National Bank, as per statement sent them 8th inst.

Buy by check a New York draft at ¼ per cent. exch., and remit same to Robt. H. Boyd & Co. in payment of invoice Nov. 12.

Sell Howard O. Strong, City, 60 ds. on acct., 10 pkgs. B. Chocolate, 5 bbls. O. Crackers, 1 bbl. N. O. Molasses, 5 bxs. L. L. Raisins, 5 bbls. Y. C. Sugar.

Receive (at Com. Ex.) of Holliway & Holliway, cash in full of invoices Jan. 4 and Jan. 11, less the credit for Mdse. returned 9th inst., and less 2 per cent. discount on the net amount.

C. N. Bank has received returns from the C. O. D. shipment to Leach & Hanford 6th inst. Present your Pass-Book and get credit for the same, less collection ¼ per cent.

Average Clark, Endicott & Fielding's account, and remit them a New York draft to balance, with interest added, or discount deducted, as the case may be. Buy the draft at C. N. Bank by check at ¼ per cent. exch.

Pay (at Com. Ex.) "Evening Post's" bill for printing, in cash, $8.75.

Buy of Stevens Bros. & Selden, City, at 2½ per cent. disct. for cash, 50 bxs. E. Soap.

Discount at C. N. Bank, Edgar H. Collins's note and receive credit. The Bank charges ¼ per cent. for collection in addition to the discount.

Sell D. H. Johnson, City, for cash, 25 bbls. O. Salt, 200 bags F. T. Salt, 10 bxs. E. Soap.

Your friend and customer, Mr. Chauncey Odell, of the firm of Odell & Moffett, has business to transact in Baltimore. Being a stranger in that city, and needing the assistance and influence of a responsible party there, you will favor him with a letter of introduction to Messrs. Robt. H. Boyd & Co. Knowing Mr. Odell as a thoroughly honorable and reliable gentleman, you can solicit for him the kindly offices of Messrs. B. & Co. with perfect confidence.

H. Pell & Co. have returned (at Com. Ex.) accepted, payable at Farmers Bank, the draft sent them 8th inst.

Pay drayage for the day, in cash, $1.50.

Deposit in C. N. Bank, cash, $650.

Prove and balance the cash, post the day's business and make daily statement.

JANUARY 13, 18—.

Your acceptance favor of Orton & Co. has been paid and charged in at C. N. Bank.

Receive (at Com. Ex.) cash of Howard O. Strong for invoice Jan. 3, less 2 per cent. discount.

F. C. Budlong's acceptance has been paid. Present your Pass-Book at C. N. Bank and receive credit, less ¼ per cent. collection.

Pay (at Com. Ex.) in cash, the Due-Bill given to Frank W. Brown 10th inst.

Sell Martin & Bishop, Gainesville—, 60 ds. on acct., 5 bbls. A. Sugar, 10 cans Epps' B. Cocoa, 10 pails Mackerel, 4 pkgs. G. Matches, 10 bbls. P. G. Starch, 25 bbls. O. Salt, 300 bags F. T. Salt, 40 bxs. E. Soap, 20 bxs. L. L. Raisins, 35 pkgs. N. Yeast.

Pay (at Mer. Emp.) Alex. Mitchell cash in full of invoices Jan. 2 and Jan. 10, less 2 per cent. discount.

Pay (at Com. Ex.) balance due employes on salaries for the week, in cash, $135.

Kauffman & Co. pay their account in cash, deducting the order drawn on them 11th inst. favor Chas. Williams.

Receive (at Com. Ex.) of Ballantyne Bros., to balance account, their check on Citizens Bank, Geneva, with interest added, or discount deducted, as the case may be, from this date to average date of payment.

Give (at Mer. Emp.) Myers & Arkwright your check for invoices Jan. 3 and Jan. 10, less the goods returned 9th inst., and less 1 per cent. discount on the net amount.

Pay drayage for the day, in cash, 50 cts.

Deposit Ballantyne & Bros. check and all the currency on hand. The check being for so large an amount, the Bank deducts only ⅛ per cent. for collection.

Prove and balance the cash, post, make daily statement, take a trial balance and hand to the teacher.

Draw a check in favor of the teacher for the amount you have in C. N. Bank, and hand same to him, together with your books and business papers, for examination.

Then prepare for a written examination in book-keeping, questions for which will be furnished by the teacher—selected from the questions for review given throughout the book. You will also be required to make the Journal entries for a variety of transactions, and to draw forms of business paper, as Letter, Bill, Invoice of Shipment, Account of Sales, Note, Draft, Check, Certificate of Deposit, etc.

BUSINESS FORMS.

LETTER INCLOSING REMITTANCE.

FULLER & HENDERSON,
WHOLESALE
WOODEN WARE
AND
GROCERS SUNDRIES,
165 MAIN STREET.

ROCHESTER, Oct. 3, 188

Mr Byron Vaile,
Toronto, Ont.

Sir: We inclose herewith New York exchange in settlement of Invoice of Oct. 1, less discount, as follows;

Cash discount 5% 30.61
Draft inclosed 58164 612,25.

The goods were entirely satisfactory and you may expect another order soon

Yours respectfully,
Fuller & Henderson

LETTER OF RECOMMENDATION.

CARBONDALE, Aug. 31, 188–.

To whom it may Concern:

We take pleasure in stating that the bearer, Mr. Ralph E. Rogers, who has been employed by us during the past year, is in all respects a competent and faithful book-keeper, and a young man of the highest qualities of head and heart.

Mr. Rogers severs his connection with our house to seek a more congenial climate, and leaves bearing with him the highest regard of all with whom he has been associated.

Respectfully,

BEDELL & LUSK.

LETTER ORDERING GOODS.

ROCHESTER, Oct. 4, 188–.

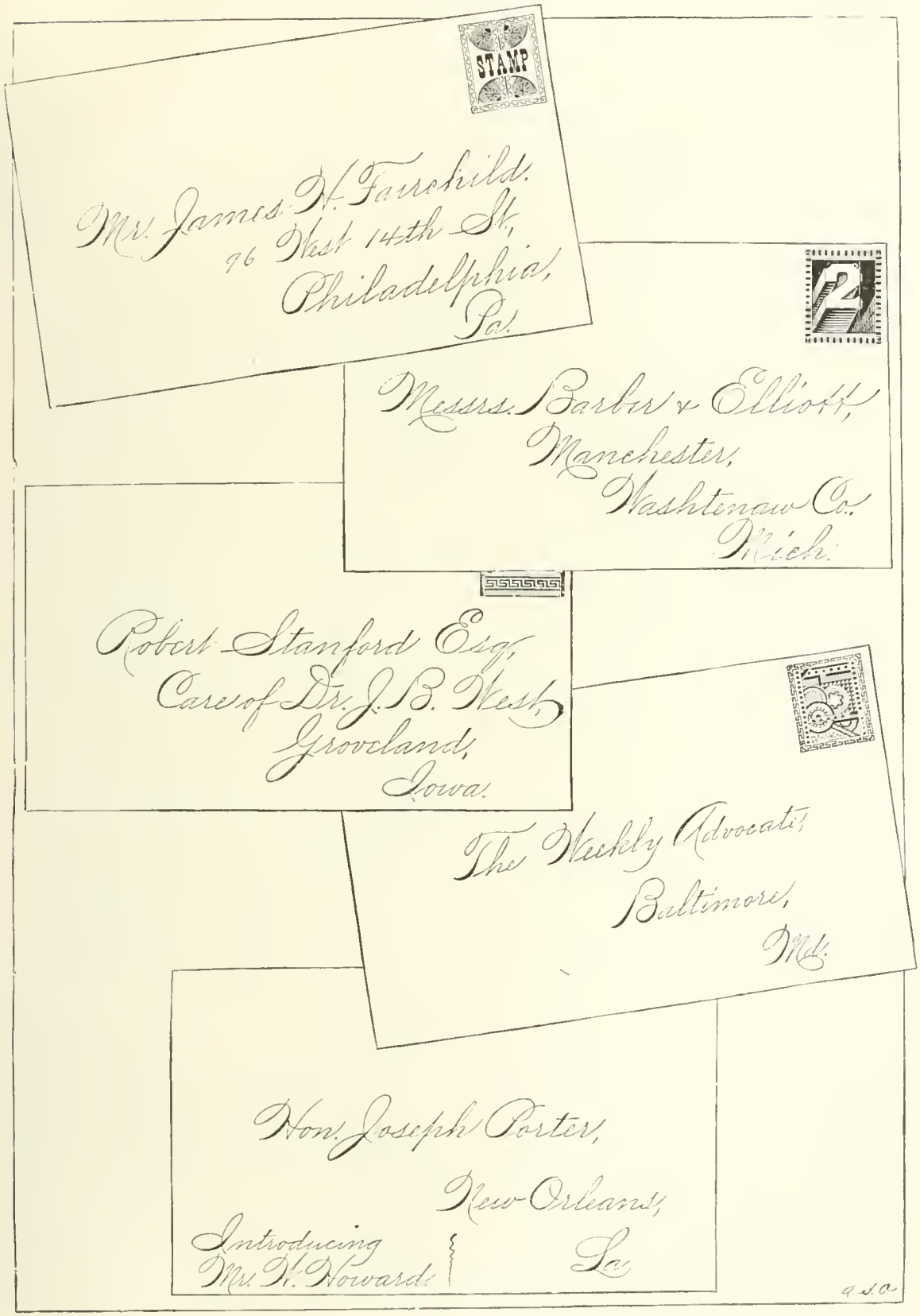
MR. GEO. P. OSGOOD,
Chicago.

Dear Sir: Please ship us as soon as possible, per L. S. & M. S. R. R. and N. Y. C. & H. R. R. R., the following:

20 doz. 2-hoop Pails; 15 doz. C. Pounders; 25 doz. R. Pins; 10 doz. N. D. Z. Wash Boards; 15 doz. 12-in. B. Bowls; 5 doz. No. 3 Wood Scoops; 25 Nests F. Pails; 5 doz. W. Shovels.

Respectfully,

FULLER & STUDENT.


STAMP
Mr. James H. Fairchild.
96 West 14th St,
Philadelphia,
Pa.
Messrs. Barber & Elliott,
Manchester,
Washtenaw Co.
Mich.
Robert Stanford Esq,
Care of Dr. J. B. West,
Groveland,
Iowa.
The Weekly Advocate,
Baltimore,
Md.
Hon. Joseph Porter,
New Orleans,
Introducing
Mr. H. Howard.
La
qsa

BUSINESS FORMS.

INVOICE OF SHIPMENT.

Invoice of Merchandise shipped to A. G. Niles, Evansville, to be sold on our account and risk.

	200 bu. Potatoes,		@ 65c.	130	
	CHARGES:				
	Paid Cartage,			3	25
				133	25
	GALESBURG, Sept. 15, 188–.				

ACCOUNT OF SALES.

Sales of 500 bu. Red Wheat, on % of Foster Bros.

188–					
Sept.	9	Sold for cash,			
		200 bu. Red Wheat,	@ 1.37¼	274	50
	12	Sold for cash,			
		300 bu. Red Wheat,	@ 1.37¼	411	75
				686	25
		CHARGES:			
	6	Paid Freight,	50.		
	12	Storage, 2½c. per bu.,	12.50		
	"	Commission, 2 % of Sales,	13.73		
				76	23
		Foster Bro's Net Proceeds,		610	02
		E. E. HERBERT G. WILLIAMS.			
		GALESBURG, Sept. 12, 188–.			

BANK DRAFT.

[May be written across the face of the draft, to prevent a fraudulent change in the amount.] Under One Hundred Dollars.

No. 1867. MANUFACTURERS AND TRADERS BANK, OF MINNEAPOLIS.

$96.38. MINNEAPOLIS, April 12, 188–.

Pay to the order of Erastus W. Cleveland, Ninety-six and $\frac{38}{100}$ Dollars.

To BROADWAY BANK, New York.

J. R. COMPTON, Cashier.

FORMS OF INDORSEMENT.

[Showing Blank Indorsement across the back of W. & E. Morgan's note of Oct. 22, page 140.]

THOMAS FIELD.

[Showing Indorsement in Full across the back of New York Draft sent to S. H. & Co., Oct. 24, page 140.]

Pay to the order of Scovell, Hodges & Co.

FULLER & STUDENT.

[Showing Payment Indorsed across the back of C. & H. note of Oct. 28, page 141.]

$200. Received on the within note, Oct. 28, 188–, Two Hundred Dollars.

FULLER & STUDENT.

[Showing form of Qualified Indorsement.]

Pay Wm. Holloway, or order, without recourse to us.

FULLER & STUDENT.

BUSINESS FORMS.

BILL.

FULLER & HENDERSON,

WHOLESALE

WOODEN WARE

AND

GROCERS' SUNDRIES,

165 MAIN STREET.

ROCHESTER Oct. 3, 188-

Frank E. Warren,
New Rochelle.

Bought of **FULLER & HENDERSON.**

FOLIO SALESMAN Andrews TERMS Net 60 ds; 10 ds 2% Disc.

3 Doz.	Novelty S. Q. W. Boards	2 50			7 50
5 "	Eagle S Q " "	1 75			8 75
5 M. #4	Paper Bags	1 75	8 75		
		less 10%		88	7 87
3 Doz	12in Butter Bowls	1 75			5 25
4 "	Cov. N. D. Baskets	2 50			10
2 " #2	Chop Trays	5			10
1½ " #10	Feather Dusters	20	30		
1 " #12	" "		26 50		
			56 50		
		less 25 & 10 %	18 36		38 14
10 Gro.	Gotis Matches	2 70			27
6	Broom Racks	2 50			15
					127 51

CERTIFIED CHECK.

[To be written across the face of the check.]
Certified.
E. W. SMITH,
Teller.

$1475.54. SYRACUSE, July 10, 188-.

CENTRAL CITY BANK,

Pay to Bliss, Goodrich & Co., or order, Fourteen Hundred Seventy-five and $\frac{54}{100}$ Dollars.

No. 602. EVANS & KINGSBURY.

CERTIFICATE OF DEPOSIT.

$500.00. DETROIT, May 9, 188-.

SECOND NATIONAL BANK.

Samuel Roberts, Jr., has deposited in this Bank Five Hundred Dollars, payable to himself, or order, on return of this Certificate.

GEO. HINMAN,
Cashier

BUSINESS FORMS.

JOINT NOTE.

$275. CEDAR FALLS, IOWA, Oct. 1, 188–.

Sixty days after date, we promise to pay Orlando Stevens, or order, Two Hundred and Seventy-five Dollars, for value received, at Farmers' Bank.

E. F. HAYDEN.
GEO. N. BROWN.

JOINT AND SEVERAL NOTE.

$1500. BRIGHTON, ILL., June 4, 188–.

One year from date, for value received, we, or either of us, promise to pay to the order of Henry H. Moffatt, Fifteen Hundred Dollars.

FRANK S. HORTON.
M. BORTELLE.

NON-NEGOTIABLE NOTE.

$100. TRENTON, N. J., May 15, 188–.

On demand, I promise to pay Lyman S. Barber, One Hundred Dollars, for value received, with interest.

C. C. BARNARD.

RECEIPT (To Apply on Account).

$175.25. PHILADELPHIA, Jan. 6, 188–.

Received of Wm. De Long, One Hundred and Seventy-five $\frac{25}{100}$ Dollars, to apply on account.

CHAS. G. APGAR.

RECEIPT (In Full of Account.)

$200. COBURG, O., Mar. 16, 188–.

Received of Walter Williams, Two Hundred Dollars, in full of account to date.

SMITH & WEIGHTMAN.

RECEIPT (Payment on Note).

$150 RICHFIELD, PA., Sept. 27, 188–.

Received of Elihu Biddlecom, One Hundred and Fifty Dollars, to apply on his note, in our favor, dated Mar. 27, 188–.

GEO. T. CREED & CO.

DEPOSIT TICKET.

COLLEGE NATIONAL BANK.

January 4, 188–.

DEPOSITED BY
Student & Co.

	DOLLARS.	CENTS.
Bills,	250	00
Specie,	10	50
Check,	50	00
"	137	88
	448	38

DRAFT (Time from Sight).

(See engraved form on page 41.)

$2000. BALTIMORE, Oct. 28, 188–.

At ten days' sight, pay to Eric Hunter, or order, Two Thousand Dollars, value received, and charge the same to my account.

To J. V. WENTWORTH, Albany, N. Y. SIMON DUNCAN.

DRAFT (Time from Date).

$300. HAMILTON, Sept. 5, 188–.

Thirty days after date, pay to J. C. Goodrich, or order, Three Hundred Dollars, value received, and charge the same to my account.

To CROWLEY & LEAVITT, Evansville, Pa. ALFRED W. HOLLEY.

DRAFT (At Sight).

$100. OLEAN, Feb. 17, 188–.

At sight, pay to the order of Orrin Greenleaf, One Hundred Dollars, value received, and charge the same to our account.

To PARK BANK, New York. WELLSLEY, HOYT & CO.

DUE BILL (Payable in Goods).

$25. SARDINIA, N. Y., Aug. 1, 188–.

Due R. F. Bainbridge, Twenty-five Dollars, payable in goods from our store.

EATON, CROSS & CO.

DUE BILL (Payable in Money).

$47.64. SMITH'S HOLLOW, Dec. 9, 188–.

Due Cha's Parker, or order, on demand, Forty-seven and $\frac{64}{100}$ Dollars.

W. H. GORDON.

ORDER (To Apply on Account).

$50. CHELSEA, MICH., Apr. 10, 188–.

French & Hagerman, 149 Lagrange Street, will please pay the bearer Fifty Dollars, and charge the same to my account.

D. W. EVEREST.

ORDER (Payable in Goods).

BURLINGTON, KAS., Dec. 6, 188–.

E. & S. Campbell will please deliver to bearer groceries, not exceeding in amount Twenty-five Dollars, and charge the same to me.

RALPH BARTON.

INDIVIDUAL NOTE.

(See engraved form, on page 21.)

$350. ROCHESTER, N. Y., Feb. 2, 188–.

Six days after date I promise to pay W. C. Cooper, or order, Three Hundred and Fifty Dollars, value received.

Due Feb. 11, 188–. STUDENT.

BUSINESS FORMS.

BILL.

Jackson, Mich. July 24, 188-

Mr. John H. Hammond

Bot. of Wm. E. Penning & Bro.

364 lbs. P. N. Mutton	9¢	32	76
493 " C. D. Beef	10¢	49	30
240 " B. P. Pork	8¢	19	20
		101	26

Received payment

Wm. E. Penning & Bro.,

per J. W. P.

ACCOUNT SALES.

Acct. Sales of 1000 Bu. Barley for J. E. Young

188-				
July	24	Sold for cash		
		1000 bu Barley	90¢	900
		Charges		
"	21	Freight	60	
"	24	Storage	10	
		Commission 2 % on sales	18	
				88
		J. E. Young's net proceeds		812

Omaha, Neb. July 24, 188-

APPENDIX.

SUPPLEMENTARY EXERCISES.

The following transactions are designed, primarily, to afford additional drill in determining the proper debits and credits in recording business transactions, and may be performed upon paper or used as exercises for class drill in the elements of bookkeeping. The latter plan will be found productive of most excellent results, and is recommended by the authors, as it adds the aid of the teacher to the effort of the pupil, thus securing to the pupil thorough knowledge in the shortest possible time. It is advised that those pupils who are engaged upon a particular part of the work in bookkeeping—initiatory, intermediate or advanced—be taken in classes into a recitation room and required to give the debits and credits of all parties in the transactions in this work that are of the same general character as those upon which they are engaged at their desks. In addition to the entries of all parties, it is recommended that the pupils be required to give the forms of all commercial paper introduced, with their proper indorsements. It is believed that this class drill will rivet the principles of debit and credit, and the forms and requisites of commercial paper upon the mind of the pupil as no other process can do, and will effect a great saving of time and labor upon the part of the teacher

Such class work should closely resemble the following:

Jannary 8. Bought of H. C. Franklin, Chicago, on %, at 30 days, 200 bbls. Pork, @ 12.00, 2400.00.

Ques. What should be your debit and credit for this transaction, and why?

Ans. Mdse. should be debited because merchandise has been bought—comes into my possession; and H. C. Franklin should be credited, because I have become indebted to him.

Ques. What debit and credit will Franklin make, and why?

Ans. He will debit me, the purchaser, because I have become indebted to him, and will credit Mdse. because he has disposed of merchandise.

Ques. What entries will you make thirty days hence, upon payment in cash of the amount due H. C. Franklin, and why?

Ans. Debit H. C. Franklin, because I have got out of his debt, and credit Cash because I have paid out cash.

Ques. What entries will H. C. Franklin make upon receiving from you cash, in settlement of your account, and why?

Ans. He will debit Cash, because he has received cash, and credit me, because I have got out of his debt.

Again, April 3, bought of Granger & Co., Minneapolis, 2000 bbls. Flour, @ 5.25 per bbl., 10500.00. Gave in payment our check on German-American Bank for 4000.00. J. C. Reid's note, 5000.00, discount to maturity allowed Granger & Co., 72.50, and cash for balance, 1572.50.

Ques. What debits and credits will you make for this transaction, and why?

Ans. Debit Flour, because flour has been purchased; debit Discount, because discount has been allowed Granger & Co.; credit Bills Receivable, because J. C. Reid's note has gone out of our possession; and credit Cash for the amount of the cash, because we have paid out cash; and credit German-American Bank, because we have drawn a check on them.

Ques. What entries will Granger & Co. make, and why?

Ans. Debit Bills Receivable, because J. C. Reid's note has been received; debit cash for the amount of the check and currency, because so much cash has been received; credit Flour, because flour has been sold; and credit Discount because discount has been allowed them.

Ques. What entry will the German-American Bank make when the check is paid, and why?

Debit Preston & Co., makers of the check, because the check is drawn by them—lessening their deposit that amount—and credit Cash because cash has been paid out.

Ques. Give the form of J. C. Reid's note as originally received by B. F. Preston.

Ans.

5000.00. ——————————, March 1, 18—.

July 1, after date, I promise to pay B. F. Preston, or order, Five Thousand Dollars, at First National Bank, value received.

J. C. REID.

Ques. What will be necessary for B. F. Preston to do upon investing that note in the business of Preston & Co.?

Ans. Write his name on the back of the note, or write, Pay Preston & Co., or order, and sign his name.

Ques. In case the latter form is adopted how will the firm of Preston & Co. transfer it to Granger & Co.?

Ans. They will write on the back, under the present indorsement, the firm name, or Pay Granger & Co., or order, and add the firm's signature.

Ques. Give the form of the check on German-American Bank on April 3.

Ans.

4000.00. ———— ————, April 3, 18—.

German-American Bank.

Pay to Granger & Co., or order, Four Thousand Dollars.

No.—— PRESTON & CO.

JANUARY.

1. The Student commenced business this day, and invested cash, 5000.00.
2. Bought for cash of E. H. Fellows, Albany, 100 bbls. Flour, @ 8, 800.00.
3. Sold W. H. Stern, Baltimore, on %, 25 bbls. of Flour, @ 10, 250.00.
4. Sold for cash to S. B. Alverson, New York, 50 bbls. of Flour, @ 9.50, 475.00.
7. Received cash of W. H. Stern, to apply on %, 100.00.
8. Bought of H. C. Franklin, Chicago, on %, at 30 days, 200 bbls. Pork, @ 12, 2400.00.
9. Bought of P. Armour & Co., for cash, 100 bbls. Lard, @ 25, 2500.00.
12. Sold Jas. Garrison, on %, 50 bbls. Pork, @ 15.00, 750.00.
17. Sold H. D. Jones, on %, 50 bbls. Lard, @ 27, 1350.00.
19. Bought of A. P. Barnes, on %, 200 bbls. Flour, @ 7.50, 1500.00.
21. Sold for cash, 50 bbls. Lard, @ 26.75, 1337.50.
23. Sold W. H. Stern, on %, 100 bbls. Flour, @ 8.25, 825.00.
25. Received cash of H. D. Jones, on %, 1000.00.
27. Sold for cash, 75 bbls. Flour, @ 8.10, 607.50.
29. Bought for cash, 200 bbls. Flour, @ 7.25, 1450.00.
31. Paid A. P. Barnes 1000.00, on %.

Inventory—250 bbls. Flour, 7.25	1812.50
150 " Pork, 12.00	1800.00
	3612.50
Cash	2770.00
Net Gain	557.50

FEBRUARY.

1. Increased my capital by an additional investment of 3000.00.
2. Bought of Johnson & Co., on my note at 15 days, 100 bbls. Salt, @ 1.25, 125.00.
4. Sold D. B. Davis, on his note at 10 days, 50 bbls. Pork, @ 13.50, 675.00.
6. Received of W. H. Stern his note, at 10 days in full of %, 975.00.
7. Paid H. C. Franklin 2400.00, in full of account.

8. Sold for cash, 50 bbls. Salt, @ 1.50, 75.00.

10. Sold Jas. Garrison, on %, 50 bbls. Pork, 13.75, 687.50.

12. Bought of P. Armour & Co., for cash, 50 bbls. Lard, @ 24.00, 1200.00.

14. Received cash of Jas. Garrison, 1000.00 on %.

17. D. B. Davis has paid his note of 4th instant in cash, 675.00.

18. Sold Jas. Garrison, on %, 25 bbls. Lard, @ 26.00, 650.00.

19. W. H. Stern has paid his note of 6th inst. in cash, 975.00.

20. Paid our note of 2d inst. in cash, 125.00.

22. Sold James Payne, on his note at 10 days, 50 bbls. Pork, @ 13.25, 662.50.

24. Bought of R. B. Ashley & Co., on my note at 30 days, with interest, 100 bbls. Pork, @ 11.50, 1150.00.

26. Sold for cash, 25 bbls. Lard, @ 27.00, 675.00.

28. Bought of P. Armour & Co., on my note at 30 days, 100 bbls. Lard, @ 23.50, 2350.00.

Inventory—250 bbls.	Flour, @	7.25,	1812.50
100 "	Pork, @	11.50,	1150.00
100 "	Lard, @	23.50,	2350.00
50 "	Salt, @	1.25,	62.50
			5375.00
Net Gain,			362.50
Cash,			5445.00

MARCH.

1. Paid two months' rent of store in cash, 200.00.

3. Sold Jas. Garrison, on his note at 10 days, with interest, 200 bbls. Flour, @ 8.00, 1600.00.

5. Paid clerk's salary for two months, in cash, 100.00.

7. James Payne has paid his note in cash, 662.50.

9. Bought of James Willis on our acceptance at 30 days, payable at German-American Bank, 500 bbls. Flour, @ 7.00, 3500.00.

11. Sold C. M. Benton, on his acceptance at 10 days, payable at Third National Bank, 200 bbls. Flour, @ 7.75, 1550.00.

13. Bought of J. W. Whitney, on our note at 30 days, payable at German-American Bank, with interest, 200 bbls. Salt, @ 1.25, 250.00.

15. Sold H. L. Haskins, on his check on First National Bank, 200 bbls Flour, @ 7.80, 1560.00.

16. James Garrison has paid his note of 1600.00, due to-day, with interest, 3.47.

18. Paid our acceptance due April 11th, 3500.00, in cash, less discount for time it has yet to run. Discount, 24 days, 14.00.

20. Sold S. G. Davis, on his note at 30 days, payable at Merchants' Bank, 75 bbls. Lard, @ 24.50, 1837.50.

22. Sold M. J. Riggs, on his check on Merchants' Bank, 50 bbls. Pork, @ 12.25, 612.50.

24. C. M. Barton has paid his acceptance of 11th inst., 1550.00, by his check on Third National Bank.

26. S. G. Davis has paid his note of 20th inst., 1837.50, less discount to maturity—27 days—by his check on Merchants' Bank. Discount, 8.27; amount of check, 1829.23.

28. Bought of P. Armour & Co., on our acceptance at 30 days, payable at German-American Bank, 100 bbls. Lard, @ 22.75, 2275.00.

29. Paid our note, favor R. B. Ashley & Co., 1150.00, with interest for 33 days, in cash. Interest, 6.33.

31. Sold Mason & Brown, on their note at 10 days, payable at First National Bank, 150 bbls Salt, @ 1.40, 210.00.

Inventory—150 bbls.	Flour, @ 7.00,	- - - - - - - -	1050.00
50 "	Pork, @ 11.50,	- - - - - - - -	575.00
125 "	Lard, @ 22.75,	- - - - - - - -	2843.85
100 "	Salt, @ 1.25,	- - - - - - - -	125.00
			4593.75
Cash, - - - - - - - - - - - - - - - -			8320.38
Net Gain, - - - - - - - - - - - - - - - -			260.88

APRIL

1. Student and B. F. Preston have this day formed a copartnership for the purpose of conducting a General Produce business, under the firm name of Preston & Co., each to invest 20000.00. Student's investment consists of Warehouse and Lot, valued at 15000.00, upon which there is a mortgage of 5000.00, having two years yet to run from this date; an account against B. H. Manning, St. Louis, 2963.50, due April 15th; a note against Samuel Drake, Chicago, for 5860.00, payable at Live Stock National Bank, at one month, from March 4th, with interest, now worth 27.35, in addition to its face, and horses, wagons, harnesses, scales, trucks, etc., for use of warehouse, valued at 1149.15.

B. F. Preston invests cash, 14400.00, J. C. Reid's note for 5000.00, dated March 1st and payable at First National Bank, due June 30th, without interest. Discount allowed, 75.00; an account against C. W. Norton, New York, due May 7th, 1792.87.

B. F. Preston owes W. S. Bancroft, Cincinnati, on his note, payable at Third National Bank, due May 9th, without interest, 1125.00. Discount to maturity, 7.13.

1. Deposited cash in German-American Bank, 5000.00.

2. Bought for cash, 6 carloads No. 1 Red Wheat, 2375 bush., @ 85c., 2018.75, and 10 carloads Canada Barley, 3960 bushels, @ 66c., 2613.60. Total 4632.35.

NOTE.—Instead of keeping a general Merchandise account, you will keep an account with each kind of produce, as Wheat, Corn, Barley, etc.

3. Bought of Granger & Co., Minneapolis, 2000 bbls. Flour, @ 5.25 per bbl. Gave in payment our check on German-American Bank for 4000.00. J. C. Reid's note, 5000.00, discount to maturity, allowed G. & Co., 73.33, and currency for balance, 1573.33.

5. B. H. Manning, St. Louis, has failed, and, in common with other creditors, we have decided to accept 80 per cent. of our claim, for which a draft on New York has been received. Student having guaranteed the account, he must bear the loss. Account, 2963.50, discount, 592.70, amount of draft, 2370.80.

7. Sold Guernsey & Co., Brooklyn, on their acceptance at 30 days, 500 bbls. Flour, @ 5.75, 2875.00.

9. Received draft on New York, from Live Stock National Bank of Chicago, for proceeds of Samuel Drake's note of 5860.00, due on the 7th inst. Interest collected, 32.23, Bank charges 5.00 for collection and 5.00 for exchange on draft. Amount of draft, 5882.23.

11. Sold Prescott & Smith, Newark, 2 carloads Red Wheat, 1152 bushels, @ 92c., 1059.84, and 3 carloads Canada Barley, 1180 bushels, @ 72c., 849.60. Total, 1909.44. Received Ballard & Jones' note, favor P. & S., and indorsed by them for 1500.00, dated March 17th, at two months, payable at Manufacturer's Bank, Newark, less discount to maturity, and their check on Newark National Bank, for balance. Discount, 9.75, check, 419.19.

14. Bought for cash, 8 carloads Oats, 3864 bushels, @ 41c., 1584.24.

16. Sold Nichols & Co., Boston, at 60 days, 1000 bbls. Flour, @ 5.90, 5900.00.

18. Wishing to pay the mortgage on the warehouse, which will not mature until two years from the 1st inst., we offer 50.00 in addition to the face and interest to date, which is accepted. Interest, 15.00, Cash payment, 5065.00.

22. Received from Wilson & Rockwell, Monroe, 5 carloads, 1964 bush. Wheat to be sold on commission. Paid freight, 61.65, drayage, 25.00 in cash.

29. Student invests 592.70 in cash, the amount of the discount on B. H. Manning's account.

Inventory—1223 bu. Wheat, @ 85c.,	1039.55
2780 bu. Barley, @ 66c.,	1834.80
500 bbls. Flour, @ 5.25,	2625.00
3864 bu. Oats, @ 41c.,	1484.24
Horses, Wagons, Scales, etc.,	1149.15
Warehouse,	15000.00
Cash on hand,	5723.35
Cash in bank,	1000.00
Net Gain,	985.61

MAY.

1. Mr. F. E. Thomas is this day received as partner in the business, giving each of the present proprietors his note at six months, with interest, for such an amount as will equalize the investments; to Student, 6830.94, and to B. F. Preston, 6830.93.

3. Sold for cash, the 5 carloads, 1964 bushels, Wheat, received from Wilson & Rockwell, @ 93c. per bush., 1826.52.

5. Deposited cash in German-American Bank, 4500.00.

6. C. W. Norton, being unable to pay his account, 1792.87, due to-morrow, sends us a joint and several note, made with interest at two months, payable at Ninth National Bank, Philadelphia, signed by himself and W. S. Newcomb, which we receive in settlement.

8. Remitted by our check on German-American Bank, for amount due to-morrow on B. F. Preston's note, favor W. S. Bancroft, 1125.00.

10. Received cash for Guernsey & Co.'s acceptance, due to-day, 2875.00.

13. Shipped Randall & Reed, New York, to be sold on our account, 4 carloads Red Wheat, 1223 bush., invoiced, @ 85c., 1039.55. Paid insurance in cash, 5.00.

15. Rendered Wilson & Rockwell an account sales of the 5 carloads Wheat, received from them to be sold on commission. In addition to freight, 61.65, and drayage, 25.00, paid when the Wheat was received, we charge 2 per cent. Commission, 36.53, Storage, 25.00, and Insurance, 9.00. Remitted consignors our check on German-American Bank for net proceeds, 1669.34.

18. Sold Strong & Wood, Fairport, 4 carloads Barley, 1539 bush., @ 77c., 1185.03, on their acceptance at 60 days, indorsed by W. L. Pinson, payable at DeLand National Bank, Fairport.

20. Ballard & Jones' note due to-day has been protested for non-payment. Protest fees, 1.60, paid by us in cash.

23. Ballard & Jones have paid their note due the 20th, 1500.00, protest charges, 1.60, and three days interest, 75c., by new note at 60 days, with interest, payable at Manufacturer's Bank, Newark, for 750.00, balance in cash, 752.35.

27. Sold Jones & Co., on their check on Trader's Bank, 4 carloads Oats, 1921 bushels, @ 45½c., 874.06.

30. Received from Randall & Reed, New York, an account sales of wheat shipped them on commission, on the 13th inst. Our net proceeds, 1224.15, due by equation. June 15th.

Inventory—1241 bu. Barley, @ 66c,	819.06
500 bbls. Flour, @ 5.25,	2625.00
1943 bu. Oats, @ 41c,	796.63
Warehouse,	15000.00
Horses, Wagons, Scales, etc.,	1149.15
Cash on hand,	7544.68
Cash in bank,	2705.66
Net Gain,	506.62

JUNE.

1. B. F. Preston, wishing to retire from the business, proposes to sell his interest to the other two partners, receiving one half cash and note for balance, which is accepted. The note for such balance will be signed by the new firm; the style of which is, Thomas & Co. Cash, 6915.38; Note, 6915.37.

4. Nichols & Co., propose to pay their account, 5900.00, due 15th, providing we will allow them one-quarter per cent. discount on its face, which is accepted. Discount, 14.75, cash, 5885.25.

7. Paid insurance for one year from April 1st, on warehouse, valued at 11000.00, in cash. Premium 1 per cent., 110.00. Also paid premium for one year, obtained April 1st on an open policy of insurance on contents of warehouse. Policy, 10000, Premium, 100.

10. Received from Pillsbury & Co., 1000 bbls. Flour, invoiced at 5.10, to be sold on their %, and risk. Paid freight in cash, 212.00; our cartage, 20.00.

13. Bought of Cook & Co., on our acceptance at 30 days, payable at German-American Bank, 5 carloads Red Wheat, 2116 bushels, @ 93c., 1967.88.

15. Received from Randall & Reed, cash for proceeds of shipment due to-day, 1224.15.

18. Owing to the unfavorable appearance of the wheat market, we have determined to sell the 2116 bushels, now on hand, at present price, 89c., for which we receive cash, 1883.24,

21. Messrs. Pillsbury & Co., being in need of funds, notify us that they have drawn on us for 2500.00, at 14 days from the 18th inst., on account of the invoice of Flour received from them on the 10th inst. Accepted the draft, payable at German-American Bank.

23. Sell D. Collins, Winchester, for cash, 2 carloads Barley, 813 bushels, @ 77c., 626.01

26. Sold, for cash, 500 bbls. Flour, Pillsbury & Co.'s consignment, @ 5.90, 2950.00.

30. The warehouse and contents were last night, totally destroyed by fire. The insurance companies have this day adjusted the losses which were paid in cash, as follows: Warehouse, 11000.00; Scales, Trucks, etc., 200.00; Contents, 6763.63—2600.00 of which was on % of 500 bbls. Flour, belonging to Pillsbury & Co., which were stored in the warehouse, and covered by the open policy of insurance; and the remaining 4163.63 was apportioned as follows: Flour, 2950.00; Oats, 884.07, Barley, 329.56.

30. Deposited in German-American Bank, 10000.00.

30. Closed Pillsbury & Co.'s consignment, and rendered consignors an account of sales. Our charges, in addition to freight and cartage already entered, are: Commission, 2 per cent. on 500 bbls. sold, 59.00; Storage, 5.00; Insurance, 12.75. Pillsbury & Co.'s net proceeds, 2741.25, remitted by our check on German-American Bank.

The books will now be closed, preparatory to closing out the business.

Inventory—Warehouse Lot, valued at,	4000.00
Horses, Wagons, etc., valued at,	900.00
Net Gain,	267.18
Students present worth,	13964.32
B. F. Thomas present worth,	13964.32
Cash in bank,	9964.41
Cash on hand,	20719.58

DICTIONARY OF COMMERCIAL WORDS AND PHRASES.

ACCEPTANCE.—Agreeing to the terms proposed; the acceptor's name written on the face of a bill of exchange or draft, usually with the word "Accepted"; bill of exchange or draft when accepted.

ACCOMMODATION PAPER.—Notes or acceptances drawn for the purpose of being discounted, and not founded on an actual sale of goods; notes or bills signed and accepted without consideration; notes drawn by merchants for like amounts and exchanged for their mutual accommodation.

ACCOUNT CURRENT.—A running account. A detailed statement of the transactions between two persons or firms, usually expressed in the form of debtor and creditor.

ACCOUNT SALES.—An itemized statement of sales and expenses, sent by a commission merchant to his principal. It exhibits the quantities and prices of the goods sold, the commissions and other charges, and the net proceeds.

ACCRUED.—Interest accumulated and unpaid.

ACKNOWLEDGE.—In commercial correspondence, the term by which the receipt of a letter, remittance, or order, is admitted.

ACKNOWLEDGMENT.—A formal admission made before an officer, that the act described was voluntarily done. The officer's certificate of the admission is also called an acknowledgment.

ADMINISTRATOR.—One that is appointed by the court to settle an estate.

AD VALOREM.—According to value. A custom house term, relating to the estimating of duties upon the value of imported goods.

AFFIDAVIT.—A written declaration under oath.

APPRAISAL.—The act of placing a value on goods.

ARBITRATION.—The adjustment of a disputed point by a person or persons chosen by the parties in dispute.

ASSETS.—A term commonly used in trade to designate the funds, property, or effects, that is, the stock in trade, cash, and all the available property of a merchant, in contradistinction to his liabilities or obligations.

ASSIGNEE.—A person to whom the property of a bankrupt or an insolvent debtor is transferred for the benefit of the insolvent's creditors.

ASSIGNMENT.—The act of transferring property to the assignee.

ATTACHMENT.—A warrant for the purpose of seizing a man's property.

AUDITOR.—An officer appointed by the government, or by any corporation, to examine claims upon the treasury, and to investigate the treasurer's accounts.

AUXILIARY.—Applied to various account books that are kept as aids to the principal books.

BALANCE OF TRADE.—The difference between the value of the commercial imports and exports of any country.

BANK-BOOK.—A pass-book carried by a depositor, in which the teller of a bank records deposits, and in which the book-keeper enters the paid checks at stated intervals.

BANK BILLS OR NOTES.—Promissory notes printed by the government and issued by national banks, payable on demand, and used as money.

BANKRUPT.—One who is unable to pay his debts, and who fails in business.

BILL.—A statement in writing, as a list of items bought or sold, or of services rendered. The common term applied to a note or draft.

BILL OF EXCHANGE.—An order for the payment of money, usually drawn on a person living in a foreign country, the term draft being used to designate bills that are payable in the same country in which they are drawn.

BILL OF LADING.—A written account of goods shipped and the conditions of shipment, having the signature of the carrier's agent, and given to the shipper as a receipt.

BILL OF SALE.—A writing given by the seller to the buyer, transferring the ownership of personal property.

BOARD OF TRADE.—An association of business-men for the regulation and advancement of commercial interests.

BONDED GOODS.—Those which are stored in a bonded warehouse, or in bonded cars, the owner having given bonds securing the payment of import duties or of internal revenues, upon their removal, or their arrival at some inland city of entry, and before a specified time.

BONUS.—A premium given on a loan, or for any favor shown.

BROKER.—An agent who effects sales or purchases or who makes loans and contracts for another. Also a term applied to one who deals in stocks. A broker does not usually have possession of the property which he sells or buys as agent.

BULLION.—Uncoined gold or silver.

BUSINESS.—Exchange of commodities and of commercial values. Also a term representing one's occupation.

CAPITAL.—The investment in business.

CASH SALES.—The sales made for ready money in contradistinction to sales on which credit is given.

CERTIFICATE.—A written voucher attesting to some fact; as a certificate of deposit, a certificate of stock.

CERTIFIED CHECK.—One which has been certified or accepted by the bank on which it is drawn, making the bank responsible for its payment.

CHARTER.—A paper from government defining the rights and privileges of corporations. To hire or let an instrument of transportation; as, a ship, a railway car.

CHATTEL.—Any kind of property except real estate, as, merchandise, notes and accounts, animals, leases of real estate, etc.

CHECK.—An order on a bank drawn by a depositor.

CLEARING HOUSE.—A kind of banking exchange, established in some of the large cities for the convenience of daily settlements; the drafts and checks on each other are mutually exchanged without the individual presentation of each at the banks, and a balance struck, which balance only is paid in cash.

COLLATERALS.—Pledges of stocks, notes, or chattels, for security of loans and other indebtedness.

COMMERCE.—The business of exchanging commodities between different places; mercantile business in general, as carried on between individuals or companies of different countries, or of the same country; and in a restricted sense, the shipping which belongs to a country.

COMMERCIAL PAPER.—Bills of exchange, drafts, and notes, given in the course of trade.

COMMISSION.—A percentage given for the sale or purchase of goods, or the transaction of other business, the order or authority by which one person transacts business for another

COMMON LAW.—Law based upon the precedent of usage, and not contained in the statutes enacted by legislative bodies.

COMPANY.—A corporation. A term used in a firm name to designate other partners whose names are not given.

COMPOUND, OR COMPROMISE.—To settle a claim by paying or receiving only a part of the amount. To agree upon a settlement based upon mutual concessions.

CONSIGNEE.—One to whom goods are sent.

CONSUL.—An agent for a government, residing at a seaport in a foreign country, and guarding the commercial interests of his own country.

CONTRA.—On the opposite side.

COPARTNERSHIP.—The joining of two or more persons into one firm for the purpose of carrying on any enterprise. It has the same meaning as partnership.

COPYRIGHT.—The right granted by government to an author to control the publication of any book or work.

COUNTERFEIT.—A spurious bank bill; a forgery

COUNTING-ROOM.—A room in which merchants keep their accounts and transact business.

COUPON.—An interest note or a certificate attached to a bond which is cut off from the bond and collected when due.

COURSE OF EXCHANGE.—The sum merchants pay for bills of exchange to enable them to make remittances from one country to another.

CREDENTIALS.—Testimonials giving authority.

CREDITOR.—One giving credit; one whom we owe.

CURRENCY.—The paper money or the coin which constitutes the circulating medium of a country; that which passes for money in a country.

DAYS OF GRACE.—Negotiable promissory notes or bills of exchange, payable at a certain time, are entitled to three days delay beyond the time expressed, which are called days of grace, unless "without grace" is expressed on the paper. These days were so called because they were formerly gratuitously allowed. But now, in the United States and England, they are demanded of right, the custom having passed into law.

DEBTOR.—One who owes a debt.

DEED.—A written contract under seal, usually transferring the ownership of real estate.

DEFALCATION.—Deduction or discount. Embezzlement of money by an officer having it in charge.

DEPOSIT.—To commit to the care of another; especially to place money in bank subject to our order.

DISHONOR.—A failure to pay an obligation when due. A failure to accept a draft when presented for acceptance.

DIVIDEND.—The portion allotted to each stockholder in the division of profits.

DOWER.—The right of a widow to a life interest in one-third of all the real estate owned by her husband at any time after their marriage.

DUE-BILL.—A brief, written acknowledgment of a debt, having the effect of a promissory note.

DUNNING.—Soliciting payment for a debt; or the urgent pressing of the payment of a debt

EARNEST.—Part of purchase money paid, or part of goods delivered to bind a verbal contract.

EMBEZZLEMENT.—A fraudulent appropriation of money entrusted to one's care.

EMPORIUM.—A commercial center.

ENDORSE, OR INDORSE.—To write one's name on the back of a commercial paper. To receipt a partial payment on the back of a note or bill.

ENGROSS.—To copy in manuscript.

EQUITY.—The science of right and justice, which often corrects the application of law in a particular case.

EXCHANGE.—The giving of one value for another The process of remitting money values by means of bills and drafts. The discount or premium arising from the purchase or sale of different classes of paper.

EXECUTION.—A written direction given to an officer authorizing him to enforce a judgment. The act of signing and sealing a legal instrument.

FAC SIMILE.—An exact copy.

FEE SIMPLE.—The absolute ownership of real estate.

FINANCIER.—One having charge of the public revenues. One skilled in money matters.

FISCAL.—Pertaining to the public treasury or revenue. As, the fiscal year, meaning a financial year as reckoned by the department of finance.

FIXTURES.—The furnishings of a store or office that are not movable.

FOLIO.—The page of an account book.

FOOTING.—The amount of a column of figures.

FORGERY.—The act of fraudulently writing or altering a written document.

FREE TRADE.—Commerce between nations unrestricted by duties or tariff regulations.

FREIGHT.—Merchandise being transported. The price paid for transportation.

GAUGING.—The process of measuring the contents of casks.

GOOD WILL.—The reputation and patronage that pertains to an established business. The good will of a business is very frequently the subject of purchase and sale.

GREENBACKS.—United States notes, as distinct from national bank notes.

GROSS WEIGHT.—Weight of merchandise, including the case or wrapping.

GUARANTEE, OR GUARANTY.—A surety for the performance of a contract, in case the party making the contract fails to keep it. A security against loss.

HONOR.—To accept a draft, or to pay it when due.

INDEMNITY.—Security against loss, such as may occur, or has occurred, by reason of some particular or specified event, as in case of ordinary insurance against loss by fire, etc.

INDENTURE.—A mutual agreement in writing between two or more parties.

INDORSEMENT.—A writing on the back of any commercial paper.

INFRINGEMENT.—To trespass upon the rights of another, especially when granted some special right by law, such as a copyright, a patent, or a trade mark.

INJUNCTION.—A writ or process by which a party is required to do or to refrain from doing a special act.

I. O. U.—I owe you—an acknowledgment of indebtedness, by the signer to the holder, for the amount.

Insolvency.—The condition of one who is unable to pay his debts or meet his commercial obligations.

Installment.—Part of a sum of money paid or to be paid.

Instant.—Referring to the present month; as, the sixth instant means the sixth day of the present or current month. Abbreviated *inst.*

Intestate.—Dying without having made a will.

Inventory.—A schedule or list of the goods, wares and merchandise generally, credits and assets of a merchant, made out in minute detail, each article being set down separately, and separately valued, usually, according to its then cash value; the whole list being then entered in a book called an inventory book.

Invoice.—An itemized bill of merchandise bought, sold or shipped.

Jobber.—A wholesale merchant who buys goods from the importers and manufacturers, and sells to country or other merchants and to retailers.

Joint Stock.—Property held in common by a company of men, each of whom is called a stockholder.

Judgment.—The decree of a court enforcing a contract or redressing a wrong.

Law Merchant.—Commercial law, or such customs and usages in commercial transactions, as being recognized by the higher courts as establishing rules of action, thus acquire the force of law.

Lease.—The letting of land and other property for hire. The contract for such letting, usually written, but sometimes verbal when the contract terminates within a year.

Legacy.—A gift of property by will.

Legal Tender.—That kind of money which legally can be offered in payment of a debt.

Letter of Credit.—A letter, usually addressed to banking houses in foreign cities, authorizing the holder to receive credit for a stated amount. They are used mainly by travelers.

Liabilities.—The pecuniary obligations of a merchant, which includes his bills payable and all his other debts.

License.—Permission or liberty to prosecute business or to sell.

Lien.—The right of holding or detaining the property of another until some legal claim be satisfied.

Liquidate.—To pay or settle a claim.

Maker.—The signer of a note.

Manifest.—An invoice or schedule of a ship's cargo.

Maturity.—The date when commercial paper becomes payable.

Merchandise.—In its most comprehensive signification embraces every article dealt in by a merchant.

Money.—Any coin or currency lawfully employed as a representative of value in buying and selling.

Monopoly.—The sole right to make or sell a certain article. The exclusive control of anything.

Mortgage.—The written pledge of real estate or chattels to secure payment of a debt.

Negotiable.—A term applying to commercial paper, that may be transferred by endorsement, or simply by delivery.

Net.—Clear of all charges. The exact weight or amount after all deductions are counted out.

Net Proceeds.—The proceeds of a sale after all expenses are deducted.

Notary, or Notary Public.—An officer who acknowledges deeds and other commercial papers; but whose chief business is to protest paper for non-acceptance and non-payment.

Open account.—A running account on a merchant's books, of debits or credits, with an individual or firm.

Open Policy.—One intended to cover all goods shipped by a certain person within a specified time; each special shipment and the amounts of insurance to be indorsed upon the policy, as the shipments are made.

Outlawed.—A term applied to a debt which has run beyond the time when the law will enforce its payment.

Overdrawn.—To draw a greater sum than one has to his credit.

Par.—Equal in value. Any paper is at par when it is worth its face value, without premium or discount.

Parol.—Oral, not written. Also applied to written contracts not under seal.

Partnership.—The association together of two or more persons in any occupation.

Par Value.—The nominal value; usually the printed or written value of any paper.

Pass-Book.—A book in which a trader enters articles bought on credit. It is usually carried by the purchaser, and is presented for record when the purchases are made.

Patent.—An official document securing to a person for a term of years, the exclusive right to an invention.

Pawn.—A deposit or pledge, given as security for a loan. The term only applies to chattels or money, and not to real estate.

Payee.—The one to whom payment is to be made; especially in whose favor a paper is drawn.

Payer.—The one who pays or is under obligations to pay.

Personal Property.—All property except real estate; chattels.

Plaintiff.—One who brings a personal action in law against another party who is called the defendant.

Power of Attorney.—A written instrument giving an agent authority to act for his principal. An agent thus empowered is called an Attorney in Fact.

Preferred Stock.—Stock taking preference over the ordinary stock of a corporation. A dividend is declared and paid on preferred stock before any can be declared on common stock.

Prima Facie.—At first view. Prima facie evidence is that evidence which is sufficient unless rebutted.

Promissory Note.—A written promise to pay a certain sum of money unconditionally, at a specified time.

Pro Rata.—A proportional distribution.

Protective Tariff.—Rates of duty fixed higher than the uniform rates, on certain imported commodities, for the protection of home manufacturers.

Protest.—A formal declaration made by a notary public, of the non-payment of a note, or non-acceptance and non-payment of a draft.

Quarantine.—Restraint of intercourse to which a ship, dwelling, or town is subjected on account of being infected with some contagious disease.

Quotations.—The published prices of merchandise, rates of freight, rates of exchange, etc.

RATIFY.—To sanction or approve; usually applied to a principal's approval of an agent's transactions.

REBATE.—A discount, or an allowance from the stipulated price, made in consideration of prompt payment, or for other reasons.

RECEIVER.—A person appointed to take charge of the affairs of a corporation on its dissolution, and to distribute its property according to law.

REMITTANCE.—The act of transmitting money values from one place to another. The value sent is called a remittance.

RESOURCES.—Money, property, or that which can be converted into property; as, claims against other people, either on written or verbal promises.

REVOCATION.—The recall of authority conferred on another; as the revocation of an agency.

SALVAGE.—An allowance made by law to those who save a ship's cargo from a wreck or fire.

SET-OFF.—A counter claim. A claim which the debtor or defendant brings to reduce the claim of a creditor or plaintiff.

SOLVENT.—Being able to pay one's liabilities.

STATEMENT.—A list of resources and liabilities. A report of an agent's transactions sent to his principal. An itemized list of the debits and credits of any personal account; as, monthly statements sent by wholesale dealers to their customers.

STATUTE —A law enacted by a legislature.

STOCKHOLDER.—One who owns shares of the capital stock of a corporation.

SUE.—To bring an action against one in law.

SURETY.—A person who has made himself responsible for the contract of another.

SYNDICATE.—A number of capitalists who unite together to dispose of a large loan, or to conduct some great financial enterprise

TACIT.—That which is understood or implied.

TARE.—An allowance made for the weight of boxes, barrels, or wrappings of merchandise. The remainder after deducting the tare is called net weight.

TARIFF.—A list of prices; as, a freight tariff. A list of duties or customs on imports or exports.

TELEGRAM.—A dispatch or message received or transmitted by the electric telegraph.

TELLER.—One who receives or counts. A bank officer who receives or pays out money.

TICKLER.—A book containing a memorandum of notes and debts, arranged in the order of their maturity.

TRADE DISCOUNT.—A discount from certain list prices, or from the amount of purchases, made to a dealer on account of a change in the prices, or on account of cash payments.

ULTIMO.—The last month preceding the present; as, on the twentieth ultimo, meaning the twentieth of last month. Abbreviated *ult.*

USURY.—Interest in excess of the highest rate allowed by law.

VALID.—A term applied to a contract that is properly executed; that is, legal or binding.

VOID.—Having no legal or binding force.

VOUCHER.—A document or paper proving that some transaction occurred; as, a receipt or a canceled note is a voucher for the payment of money.

WARRANTY.—An agreement to become responsible, if certain facts do not turn out to be as represented.

WAY-BILL.—A paper containing a list and description of goods sent by railroad.

WHOLESALE.—To sell goods in quantity, usually, in unbroken or whole packages.

ABBREVIATIONS AND CONTRACTIONS.

a. or @ (L. *ad*). To *or* at.
A. or *Ans.* Answer.
A 1. First Class.
Acc., *Acct.*, or *a/c.* Account.
Acct. Cur. Account Current.
Acct Sales Account of Sales.
Agt. Agent.
Admr. Administrator.
Admx. Administratrix.
Adv. Advertisement; Advocate; Advent; Adverb.
Ala. Alabama.
A. M. (L. *Artium Magister*). Master of Arts.—(L. *Ante Meridien*). Before noon.—(L. *Anno Mundi*). In the year of the world.
Am., *Amer.* American.American.
Amt. Amount.
Ans. Answer.
App. Appendix.
Apr. April.
Ariz. Arizona Territory.
Ark. Arkansas.
Ass'd. Assorted.
Asst. Assistant.
Aug. August.
Bal. Balance.
Balt. Baltimore.
B. B. Bill Book.
Bbl. Barrel, Barrels
Bdls. Bundles.
Bgs. Bags.
B. I. British India.
Bk. Bank; Book.
Bkts. Baskets.
B/L Bill of Lading.
Blk. Black.
Bls. Bales.
Bot. Bought.
Bro't. Brought.
B/S Bill of Sale.
Bu. Bushel.
Bx. Box or Boxes.
c. Cents.
c/o In care of.
Cal. California; Calendar.
Capt. Captain.
Cash. Cashier.
C. B. Cash Book.
C. H. Court-House; Custom-House.
Cks. Casks.
Clk. Clerk.
Co. Company, County.
C. O. D. Cash (or Collect) on Delivery.
Coll. College; Collector; Colleague.
Con. (L. *contra*). Against; In opposition.
Cr. Credit.
Conn. or *Ct.* Connecticut.
Cor. Sec. Corresponding Secretary.
Cr. Credit; Creditor.
Ct. Connecticut; Count; Court.
Ct. or *ct.* Cent.—(L. *Centum*) A hundred
Cts. or *cts.* Cents.
Cwt. or *cwt.* (L. *Centum*, 100, and E. *weight*). A hundred weight,
Dak. Dakota.
D. B. Day Book.
D. C. District of Columbia.—(It. *Da Capo*). Again, *or* From the beginning.
d. d. Days after date.
Dec. December.
Del. Delaware; Delegate.
Dept. Department; Deponent.
Dft. or *dft.* Draft; Defendant.
Disct. Discount.
Div. Dividend; Division; Divide; Divided; Divisor.
Do. or *do.* (It. *Ditto*). The same.
Doz. or *doz.* Dozen.
Dr. Debtor; Doctor.
Dray. Drayage.
d. s. Days after sight.
D. T. Dakota Territory.
ea. Each.
E. and O. E. Errors and omissions excepted.
Ed. Editor; Edition.
E. E. Errors excepted; Ells English.
e. g. (L. *exempli gratia*). For example.
Esq. or *Esqre.* Esquire.
Etc., *etc.*, or *&c.* (L. *et cæteri*, *cæteræ*, or *cætera*). and others; and so forth.
Exch. Exchequer; Exchange.
Exec. or *Exr.* Executor.
Execx. or *Ex'x.* Executrix.
Exp. Export; Exporter; Expense.
Feb. February.
Firr. or *firr.* Firkin.
Fla. Florida.
Fo. or *Fol.* Folio.
F. O. B. Free on Board.
Fo'd. Forward.
Fr't. Freight.
Ft. or *ft.* Foot; Feet; Fort.
Fth. Fathom.
Fur. or *fur.* Furlong.
Ga Georgia.
Gal. or *gal.* Gallon; Gallons.
Gr. or *gr.* Grain; Grains.
Hdkf. Handkerchief.
Hf. chts. Half Chests.
Hhd. or *hhd.* Hogshead.
Hon. Honorable.
Hund. Hundred.
I. B. Invoice Book.
I. e. or *i. e.* (L. *Id est*). That is.
Ill. Illinois.

In. Inch; Inches.
Ind. Indiana; India; Indian; Index.
Ind. T. Indian Territory.
Ins. Insurance.
inst. Instant,—in the present month.
Int. or *int.* Interest.
In trans. (L. *In transitu*). In the passage.
Inv. Invoice.
Inv't. Inventory.
I. O. U. I owe you—an acknowledgement for money.
J/a Joint account.
Jan. January.
Jr. Junior.
Kan. Kansas.
Ky. Kentucky.
Kg. Keg.
L., lb., or ℔. (L. *Libra*). A pound, in weight.
L., l., or £. A pound sterling.
La. Louisiana.
Lat. or *lat.* Latitude.
L/c Letter of Credit.
Led. Ledger.
L. F. Ledger Folio.
L. S. Left side.—(L. *Locus Sigilli*). Place of the Seal.
Man. Manitoba.
Manuf. Manufacture; Manufacturer.
Mar. March; Maritime.
Mass. Massachusetts.
Md. Maryland.
Mdse. Merchandise.
Me. Maine.
Mem. Memorandum.
Messrs. or *MM.* (F. *Messieurs*). Gentlemen; Sirs.
Mich. Michigan; Michaelmas.
Minn. Minnesota.
Miss. Mississippi.
Mme. Madame.—*Mmes.* Mesdames.
Mo. Missouri.
Mo. or *mo.* Month.
Mon. Monday.
Mont. T. Montana Territory.
Mr. Master, *or* Mister.
Mrs. Mistress, *or* Missis.
MS. Manuscript.
MSS. Manuscripts.
N. A. North America.
N. B. New Brunswick.—(L. *Nota Bene.*) Note well, *or* take notice.
N. C. North Carolina.
Neb. Nebraska.
Nev. Nevada.
N. F. New Foundland.
N. H. New Hampshire.
N. J. New Jersey.
N. Mex. New Mexico Territory.
No. or ℔. (L. *Numero.*) Number.
Nov. November.
N. P. Notary Public.
N. S. Nova Scotia; New Style (since 1752).
N. Y. New York.
O. Ohio; Old.
%. Per cent.
Oct. October.
O K. All Correct.
Ont. Ontario.
Oreg. Oregon.
Oz. or *oz.* Ounce or ounces.
P. or *p.* Page; Pint; Pole; Part.
℘. Per.
Pa. or *Penn.* Pennsylvania.
Payt. Payment.
Pd. Paid.
Per an. or *per an.* (L. *Per annum.*) By the year.
Per cent., per cent., Per ct., or *per ct.* (L. *Per centum.*) By the hundred.
Pk. or *pk.* Peck.
Pkg. Package.
P. M. Post-Master; (L. *Post Meridiem.*) After-noon.
P. O. Post-Office.
P. O. D. Pay On Delivery.
P. O. O. Post-Office Order.
pp. Pages.
Pr., pr., or ℘. (L. *per.*) By.
Prem. Premium.
P. S. (L. *Post scriptum.*) Postscript.
Pcs. Pieces.
Pub. Public; Publisher.
Pwt. or *pwt.* Pennyweight.
Qr. or *qr.* Quarter (28 pounds); Quire.
Qt. or *qt.* Quart; Quantity.
Recd. Received.
Ret'd. Returned.
R. I. Rhode Island.
R. R. Railroad.
$. Dollar; Dollars.
S. A. South America; South Africa.
Sat. Saturday.
S. B. Sales Book.
S. C. South Carolina; Small Capitals.
Sep. or *Sept.* September.
Shipt. Shipment.
Sr. Senior.
S. S. Steamship.
St. Saint; Street; Strait.
Str. Steamer.
Sun. or *Sund.* Sunday.
Sunds. Sundries.
Supt. Superintendent.
Tenn. Tennessee.
Tex. Texas.
Thurs. Thursday.
Treas. Treasurer.
Ult., ult., or *ulto.* (L. *ultimo.*) Last, *or* of the last month.
U. S. A. United States of America; United States Army.
U. S. M. United States Mail.
Utah. Utah Territory.
Va. Virginia.
Vice Pres. Vice President.
Viz. or *viz.* (L. *videlicet.*) Namely; To wit.
Vol. or *vol.* Volume.
Vt. Vermont.
Wash. T. Washington Territory.
Wed. Wednesday.
W. I. West India; West Indies.
Wis. Wisconsin.
Wt. or *wt.* Weight.
W. Va. West Virginia.
Wyo. Wyoming Territory.
Y. or *Yr.* Year.
Yd. or *yd.* Yard.

Ontario

Canada